100th Congress, 1st Session | S. Rept. No. 100-216

Report of the Congressional Committee Investigating the

Iran–Contra Affair

Appendix D: Volume 3
Testimonial Chronology: Witness Accounts, Supplemented By Documents

Daniel K. Inouye, *Chairman*
Senate Select Committee

U.S. Senate Select Committee on Secret Military Assistance to Iran
And the Nicaraguan Opposition

November 17, 1987.—Ordered to be printed.

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United States Senate

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United States Senate

SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510

September 13, 1988

Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix D to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

Sincerely,

Danial K. Inouye
Chairman

Warren B. Rudman
Warren B. Rudman
Vice Chairman

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Appendix D

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Note on Citations in this Chronology

Citations appear at the end of each entry in the Long-Form Version of this *Chronology* (vols. 2-5) and refer to a variety of sources available to the Committees. These sources are noted in the corresponding entries in the Summary Version (vol. 1) only by the witness' name or by the document description or its exhibit number. The sources include:

1. JHICI. Refers to the unpublished transcripts, titled Joint Hearings on the Iran-Contra Investigation, that were issued daily to the Committees while the Iran-Contra Hearings were being held in May through August 1987. All page references given as "[Witness] Testim., JHICI" are to these volumes which are stored in the Committees' archives in Washington, D.C. These transcripts have recently been published by the Committees in a thirteen volume set titled *Iran-Contra Investigation: Joint Hearings Before the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition and the House Select Committee to Investigate Covert Arms Transactions with Iran*, 100th Cong., 1st Sess. (Washington, D.C.: U.S. Government Printing Office, 1987-88). A table converting unpublished transcript (JHICI) page numbers to published transcript (referred to in the *Iran-Contra Report* as *Hearings* volumes) page numbers is included at the end of volume I of this Appendix.

2. Executive Session, JHICI. Refers to sworn hearing testimony of John Poindexter or Oliver North taken in closed session because of the classified nature of the testimony. (These witnesses also testified in sessions open to the public.) The transcripts of the closed sessions were publicly released after classified portions of the testimony were redacted. Citations to Executive Session testimony refer to the unpublished transcripts described in the preceding paragraph. These transcripts are available in the Committees' archives in Washington, D.C.

3. Dep. A sworn deposition taken in the presence of one or more Members of the Committees and/or counsel for the Committees, and counsel for the deponent. These deposition transcripts have been published as Appendix B to the *Iran-Contra Report*.

4. Int. An unsworn interview conducted by one or more Committee Members and/or Committee counsel, with counsel for the interviewee present if the interviewee wished.

5. Ex. An exhibit used during the Iran-Contra Hearings ("JHICI Ex.____") or during a deposition ("[Witness] Dep. Ex.____").

6. PROF Notes. Messages generated on a computer system used by the National Security Council staff.

7. Document letter and number codes. Source and document file codes for materials that have been assigned a Senate letter code and stamped page number. These materials are stored in the Committees' archives in Washington, D.C.

8. Iran-Contra Report. *Report of the Congressional Committees Investigating the Iran-Contra Affair With Supplemental, Minority, and Additional Views* (Washington, D.C.: U.S. Government Printing Office, Nov. 17, 1987).

9. Tower Report. *Report of the President's Special Review Board* (Washington, D.C.: U.S. Government Printing Office, Feb. 26, 1987).

10. HFAC, HPSCI, or SSCI. Testimony or statements made by witnesses before the House Foreign Affairs Committee, the House Permanent Select Committee on Intelligence, or the Senate Select Committee on Intelligence.

11. CRS. A numbered report issued by the Congressional Research Service of the Library of Congress.

Abbreviations

ABA	American Bar Association
AG	Attorney General
ARA	Inter-American Affairs (DoS)
ASEAN	Association of South East Asian Nations
CATF	Central American Task Force (CIA)
C/CATF	Chief of the Central American Task Force (CIA)
CIA	Central Intelligence Agency
CJCS	Chairman of the Joint Chiefs of Staff
CPPG	Crisis Pre-Planning Group
CRS	Congressional Research Service
CYA	cover your ass
DAIG	Department of the Army Inspector General
DCI	Director of Central Intelligence (CIA)
DCM	Deputy Chief of Mission (CIA)
DDCI	Deputy Director of Central Intelligence (CIA)
DDO	Deputy Director. for Operations (CIA)
DEA	Drug Enforcement Administration
Dep.	Deposition
DIA	Defense Intelligence Agency
DO	Directorate for Operations (CIA)
DoD	Department of Defense
DoJ	Department of Justice
DoS	Department of State
DSAA	Defense Security Assistance Agency
Ex(x).	Exhibit(s)
FBI	Federal Bureau of Investigation
FDN	Nicaraguan Democratic Force
FM	Foreign Minister
GAO	General Accounting Office
Gorba	Manucher Ghorbanifar
GPS	George P. Shultz
HAWK	Homing-All-the-Way Killer missile
HFAC	House Foreign Affairs Committee
HPSCI	House Permanent Select Committee on Intelligence
IDEA	Institute for Democracy, Education and Assistance
IG	Inspector General
Int.	Interview
IOB	Intelligence Oversight Board
Iran-Contra Report	*Report of the Congressional Committees Investigating the Iran-Contra Affair, with Supplemental, Minority, and Additional Views* (11/87)
JCS	Joint Chiefs of Staff
JHICI	Joint Hearings on the Iran-Contra Investigation
JMP	John M. Poindexter
MOD	Israeli Ministry of Defense
NDR	Nicaraguan Democratic Resistance
NEPL	National Endowment for the Preservation of Liberty
NHAO	Nicaraguan Humanitarian Assistance Office
NIO	National Intelligence Officer (CIA)
NSA	National Security Adviser
NSB	National Security Briefing
NSC	National Security Council
NSDD	National Security Decision Directive
NSPG	National Security Planning Group
OD	see DO
ODSM	Office Directors Staff Meeting
OEOB	Old Executive Office Building
OLN	Oliver L. North
PM	Prime Minister
PROF(S)	Professional Office (Computer) System
RCM	Robert C. McFarlane
RIG	Restricted Interagency Group
RR	President Ronald Reagan
SIG	Senior Interagency Group
SNIE	Special National Intelligence Estimate
SSCI	Senate Select Committee on Intelligence
STTGI	Stanford Technology Trading Group International
TIWG	Terrorist Incident Working Group
TOW	Tube-launched, Optically-tracked, Wire-guided missile
Tower	*Report of the President's Special Review Board* (2/87) (The Tower Board)
UNO	United Nicaraguan Opposition
USG	U.S. Government

Key to Exhibit Prefix Letters

[no prefix]	Richard Secord or Robert C. McFarlane
AC	Adolfo Calero
AH	Albert Hakim
BS	Bretton Sciaroni
C	CIA (from Eggleston Summary, 6/24/87)
C/CATF	Chief of the Central American Task Force (CIA)
CG	Clair George
CJC	Charles J. Cooper
CWW	Caspar W. Weinberger
DoD	Department of Defense (Noel Koch, Henry Gaffney)
DRC	Duane R. Clarridge
DTR	Donald T. Regan
EA	Elliott Abrams
ECG	Ellen C. Garwood
EM	Edwin Meese
FH	Fawn Hall
FIR	Felix I. Rodriguez
GAR	Glenn A. Robinette
GJS	Gaston J. Sigur
GPS	George P. Shultz
JC	Joseph Coors
JKS	John K. Singlaub
JMP	John M. Poindexter
LAT	Lewis A. Tambs
OLN	Oliver L. North
RCD	Robert C. Dutton
RWO	Robert W. Owen
SS	Stanley Sporkin
TC	Tomas Castillo
WBO	William B. O'Boyle

Publications of the Senate and House Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.
Appendix B: *Depositions*, 27 volumes, 1988.
Appendix C: *Chronology of Events*, 1 volume, 1988.
Appendix D: *Testimonial Chronology*, 5 volumes, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.

Preface

This *Testimonial Chronology* records the events of the Iran-Contra Affair as recounted by the witnesses who testified before the Congressional Committees, and as disclosed in contemporaneous documents that the Committees gathered. It was prepared by the staff of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition as an Appendix to the *Report of the Congressional Committees Investigating the Iran-Contra Affair ("Iran-Contra Report")*. Although this *Testimonial Chronology* is published by the Senate Select Committee, it is based on the evidence gathered by the two Select Committees during their joint investigation.

This *Testimonial Chronology* aims to be thorough, without passing judgment or making editorial comment on the evidence it records. It is intended to serve as a research aid, pulling together the myriad events and disparate threads of the Iran-Contra Affair in the words of the participants themselves. Accordingly, where the evidence contains multiple or differing versions of the same events, the various accounts are summarized or quoted. In every instance, the Committee has attempted to provide an accurate, objective and succinct summary of what the witnesses and the documents actually said – and not how the Committees viewed this evidence. The Committees' subjective views and conclusions are set forth in their *Iran-Contra Report.*

This *Testimonial Chronology,* while comprehensive, is not all-inclusive. The two Congressional Committees gathered hundreds of thousands of documents and took numerous depositions, not all of which could be included here. The primary source material for this *Testimonial Chronology* is the testimony of the witnesses who appeared at the Joint Hearings. Deposition testimony also has been included where the deposition transcripts were released prior to the publication of the *Iran-Contra Report,* or where the deposition transcripts discuss events referred to in the *Iran-Contra Report* or in this *Testimonial Chronology.* The documents quoted or cited were introduced as exhibits during the Joint Hearings or otherwise relied upon in the *Iran-Contra Report.*

Transcript text quoted in this *Testimonial Chronology* is edited only by the use of ellipses (. . .) or by material added in brackets where necessary for clarification or completeness. Such editing has been minimal. Likewise, [sic] has been used sparingly, in recognition of the fact that witnesses gave their testimony orally, not in writing. With this in mind, [sic] has been utilized to note that a quotation which might otherwise appear mistaken is recorded accurately here. Also, where a document or testimony has been quoted inaccurately in other testimony, the accurate text is added parenthetically after the [sic].

The Summary Version of this *Testimonial Chronology* serves as an extended Table of Contents for the Long-Form Version. The Summary Version identifies topic headings in the order in which they appear in the Long-Form Version, and notes the specific witnesses whose testimony is included under each topic, as well as the documents quoted or cited.

Chronology entries are designated by nine-digit index numbers in the left margin before each entry. This number gives the date of each event. For example, 85/11/15-100 means November 15, 1985 (or mid-November 1985). The last three digits after the hyphen (100) were solely for computer sorting purposes; they need not detain the reader.

The dates used are those furnished by the witnesses or the documents; however, certain major topics *(e.g.,* the "diversion") are grouped together for convenience.

Before this *Testimonial Chronology* was released, it was submitted by the Senate Select Committee to the White House for review by a Declassification Committee composed of representatives from the various executive departments. This is the same Declassification Committee which functioned throughout the Congressional investigation of the Iran-Contra Affair. The Senate Select Committee expresses its gratitude to the members of the Declassification Committee, and in particular, to Brenda Reger of the NSC staff, for their diligent work in reviewing this *Testimonial Chronology* and helping the Senate Select Committee insure that all critical evidence was disclosed with due regard for considerations of national security and U.S. foreign relations.

This *Testimonial Chronology* is largely the work of Isabel McGinty, Esq., an Assistant Counsel on the Senate Select Committee staff. Ms. McGinty spent enormous hours – including long days, long nights and weekends – throughout the past year to compile this *Testimonial Chronology* and prepare it for publication. Although the task was extremely difficult and painstaking, Ms. McGinty saw it through to completion, long after the *Iran-Contra Report* had been issued and other staff members had departed for their homes. The Senate Select Committee expresses special gratitude to Isabel McGinty for her dedicated service in producing these volumes.

It is the Senate Select Committee's hope that this *Testimonial Chronology* will contribute to the public's understanding of the complex events which made up the Iran-Contra Affair.

DATE	GENERAL	CONTRAS	IRAN
85/11/23-300 FROM NOVEMBER 21 THROUGH DECEMBER 11, 1985			THE 11/85 HAWK TRANSACTION: CIA INVOLVEMENT Clarridge sends or receives 80 separate cables to and from three locations. The cables instruct CIA officers at the locations to assist in obtaining landing rights on overflight clearances for the flights from Israel to Iran. The cables are sent through the privacy channel and headquarters does not maintain any regular file copies. The CIA officer in Country 15 later destroys his copies. The cables ultimately turn up only in Clarridge's personal files at the CIA. Two, at least, remain missing, however: (1) Clarridge's cable to the officer informing him of the reason he is to assist Secord in obtaining landing rights; and (2) the officer's cable to Clarridge informing him that Secord has said the flight involves HAWKs headed for Iran to get back U.S. hostages. (JHICI, 6/24/87, at 269-70 [Eggleston summary of cables and depositions].)
85/11/23-400 NOVEMBER 23, 1985			THE 11/85 HAWK TRANSACTION: CIA AND DoS INVOLVEMENT Planning for the flights continues throughout Nov. 23. Later that day, the European government informs the DCM that it has reached a decision, but requires a note stating the operation is for humanitarian reasons and is to free the U.S. hostages. Clarridge cables the CIA officer that on Poindexter's instruction, the European government should be informed that the U.S. Government

DATE	GENERAL	CONTRAS	IRAN
			regretted the European government was unable to fulfill the request for this humanitarian mission. That day, the attempt to transship the missiles through that European country is abandoned. Clarridge, however, continues to try to obtain overflight clearances from another country for five flights into Iran. (JHICI, 6/24/87, at 270-71 [Eggleston summary of cables and depositions].)
85/11/24-100 NOVEMBER 24, 1985			THE 11/85 HAWK TRANSACTION: OIL-DRILLING EQUIPMENT Clarridge instructs the senior CIA officer in a second country to inform that country that the overflight clearances involve planes bearing oil-drilling equipment. That evening, the first of the five projected HAWK shipments arrives in Tehran. The missiles are unloaded by the following day. (JHICI, 6/24/87, at 271 [Eggleston summary].)
85/11/24-200 NOVEMBER 24 OR 25, 1985			THE 11/85 HAWK TRANSACTION: DELIVERY AND FURTHER PROBLEMS NORTH ACCOUNT: North detailed the delivery of the initial shipment of HAWKs, at last, to Iran: "Mr. NIELDS. And can you tell us the story of why only 18 were shipped? "Mr. NORTH. It is a bit of a horror story. The original plan as had been worked out by the Israelis would have put, as I recall, either 40 or 80 on a 747 cargo jet and that would offload in the European country and reload onto other

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

DATE	GENERAL	CONTRAS	IRAN
			aircraft. "General Secord said that is not going to work, it is going to be too visible to people, let's move the stuff out of Israel directly. He worked that out with the Israelis and only 18 could be put into the kind of aircraft that was provided, because apparently the configuration of the door--I defer to experts on loading airplanes for exactly what the problem was. "But it was, I think, a loading problem more than anything else. It only allowed 18 to be loaded at once. "Mr. NIELDS. That explains why only 18 went at one time. But why weren't the rest of them shipped later? "Mr. NORTH. To coin a phrase, I think the Iranians went ballistic when they saw what they got. The reason they did so is they had apparently been told by the Israelis that they were getting a system that would shoot down Soviet and Iraqi high-altitude aircraft, and the Hawk system is not a high-altitude weapons system, it is a low-altitude, defensive weapons system. And apparently they felt that they had been misled. "Now, having not been a party to whatever the Iranians were told, either by Mr. Ghorbanifar or Mr. Nimrodi or Mr. Schwimmer, General Secord was obviously concerned that someone had misled the Iranians at the far end and they were very upset. I mean, we could see that . . . . They apparently disassembled one of the 18 Hawks, noticed that it did not meet what they had--in fact, it was the same as what they already had in their inventory

DATE	GENERAL	CONTRAS	IRAN
			from the United States, and were very, very concerned. "We became concerned at that point, or at least I did, that because of the commitments that had been made for something other than what was delivered, that we were indeed, instead of rescuing hostages, creating a situation in which they were being placed at increasing risk because of potential reprisals or something like that. "And at that point in time, a proposal was developed by which we would take these activities and exert more control over them and management over them. You just couldn't have people making commitments for American lives in faraway places and creating a situation where those who were supposedly helping to influence their release would think we were being--cheating on them was the word that was used frequently . . . ." (North Testim., JHICI, 7/7/87, at 137-39.)
85/11/25 100 NOVEMBER 25, 1985			THE 11/85 HAWK TRANSACTION: SECORD INVOLVEMENT SECORD ACCOUNT: A problem arises after the first 18 (out of a shipment of 80) I-HAWKS are sent to Iran from Israel. At North's request, Secord travels to Israel from the European country where Secord has been coordinating transportation of the I-HAWKS. Secord meets with David Kimche, the Director General of the Israeli Foreign Ministry. Kimche sends Secord to talk with Al Schwimmer. Schwimmer says that he, along with Yaakov Nimrodi, has been dealing with Manucher Ghorbanifar. Schwimmer says he has also had meetings about the transactions

DATE	GENERAL	CONTRAS	IRAN
			with Michael Ledeen. Secord learns from Schwimmer that the Iranians sought missiles with high-altitude capability. The I-HAWK, Secord tells Schwimmer, "is designed specifically for low altitude aircraft." The Iranians have ordered the wrong equipment. Still, the Iranians hold on to the 18 already delivered (17 are eventually picked up on Feb. 22, 1986, during the delivery of the 500 TOWs by Southern Air Transport), and cancel the rest of the delivery. (Secord Testim., JHICI, 5/5/87, at 221-34; id., 5/6/87, at 55 [return of the 17 I-HAWKS].)
			SECORD'S KNOWLEDGE OF THE SUMMER 1985 TOW TRANSACTIONS SECORD ACCOUNT: In his discussions with officials of the Israeli Ministry of Defense with regard to the I-HAWK problem with Iran, Secord hears of the previous delivery of 500 (or 508 [Secord gives both numbers]) TOW missiles from Israel to Iran--100 in August, 400 in September 1985. The Israelis "told me [sc. Secord] that they had been assured that these 508 missiles would be replenished [by the U.S.] free of charge." (Secord Testim., JHICI, 5/6/87, at 4-6.)
85/11/25-200 NOVEMBER 25, 1985			THE 11/85 HAWK TRANSACTION: PILOTS REFUTE THE OIL-DRILLING STORY The pilots of the plane carrying the first shipment of HAWKs into Tehran inform their superiors, who then inform the head of the CIA air branch, that the plane carried missiles.

DATE	GENERAL	CONTRAS	IRAN
			Clarridge, in turn, is sent a cable telling him the pilot notified ground controllers that military equipment was on board. Clarridge responds that the cargo consisted of spares for the oil industry and that he could not understand the pilot's message. (JHICI, 6/24/87, at 271 [Eggleston summary].)
85/11/25-210 AROUND NOVEMBER 25, 1985			THE 11/85 HAWK TRANSACTION: WHO KNEW THE PLANES' TRUE CARGO NORTH ACCOUNT: North testified he participated in a discussion on November 20, 1986 of a CIA-prepared summary to be used by Casey at his Intelligence Committee appearances the following day. The group discussed wording the statement that either no one in the CIA or no one in the USG knew at the time that the shipment contained arms rather than oil-drilling equipment. North testified on the discussion and its aftermath: "After we left that meeting, I do not recall, incidentally, a great debate over whether the U.S. Government knew or whether the CIA knew what was aboard the airplane. "I very clearly knew what was on that airplane. So did Director Casey know that I knew what was on that airplane. The issue, as far as I was concerned, was what did the CIA know? . . . ". . . . ". . . And so, in working the chronology [in November 1986], it was important that the CIA be able to say that they did not know what was on the

DATE	GENERAL	CONTRAS	IRAN
			airplanes at the time, and I don't believe they did. They certainly found out shortly thereafter because of the . . . intelligence I referred to earlier. "There was no doubt that shortly thereafter, everybody who had access to that . . . intelligence knew what was going on." (North Testim., JHICI, 7/7/87, at 95-100; JHICI Ex. OLN 31, 31-A [draft text of Casey's Congressional testimony].)
85/11/25-500 NOVEMBER 25, 1985			THE 12/5/85 FINDING: SPORKIN'S IDEA SPORKIN ACCOUNT: John McMahon, Deputy Director of Central Intelligence, calls Stanley Sporkin, the CIA General Counsel, to tell him he is sending over persons to brief him on a highly sensitive matter. On the basis of what they tell him, Sporkin and his assistants put together a Finding. The Finding authorizes the provision of "certain foreign materiel and munitions" to the Government of Iran to get the U.S. hostages released. The Finding provides that Congress not be notified "[b]ecause of the extreme sensitivity of these operations," and includes a ratification provision for "prior acions taken by U.S. Government officials in furtherance of this effort." (Sporkin Testim., JHICI, 6/24/87, at 7-39; JHICI Exx. SS 3, 4.)
85/11/25-505 NOVEMBER 25 - DECEMBER 5,			THE 12/5/85 FINDING: TEXT For text of Finding drafted in late November and signed by the President (according to

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1985			Poindexter) about December 5, 1985, see 85/12/05-020.
85/11/25-700 NOVEMBER 25-26, 1985			THE 11/85 HAWK TRANSACTION: LEDEEN'S ROLE LEDEEN ACCOUNT: "A. I then received a call in late November from Mr. [G]horbanifar around the 25th or 26th of November, tel[l]ing me that he had an urgent message from the Prim[e M]inister of Iran to give to the President, and the message was, in essence, we have been very patient with you people. We have acted in good faith throughout. We have done everything we said we were going to do, and you are now cheating us, and you must act quickly to remedy this situation. "I brought this into the White House, found McFarlane not present, he was off at the summit, and was invited to tell Poindexter about this. "I went in and told Poindexter, gave him this message. Poindexter responded by saying thank you, and he wrote it down. And he said, you are being taken off this project, at least temporarily, because we now need people with greater technical expertise than you. "I interpreted this message to mean, Ghorbanifar said something like, there had been a terrible screw up in connections with a delivery, which I took to mean a delivery of weapons, following from these discussions earlier and I took Poindexter to mean that there had been some mechanical error of some sort. "I subsequently found out what happened. "Let me just finish one last thing. And I

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			said to him, fine, because I didn't want to be involved [in] that business anyway. I said, however, the other business, I said, is something that I want to remain involved in; and I named the person with whom I had met in Europe. "He just gave me a blank look, and that was as best as I can recall my last conversation with Admiral Poindexter about the subject. "Q. You have subsequently learned, for example, in November 19, 20, 21, 22, something, the time period immediately prior to the conversation with Mr. Ghorbanifar, about the delivery of weapons, did you have any knowledge of that at the time it was taking place? "A. Not at the time it was taking place. I had an impression that these co[n]versations were going forward. "I have strained mightly to remember anytime that I may have heard somebody say, okay, do it, or it has been decided, but I have no recollection." (Ledeen, House Dep., 3/11/87, at 87-88. See Ledeen, Senate Dep., 6/22/87, at 150-63, 180-82, 238-42, 292 [Ledeen's awareness and involvement in 11/85 HAWK transaction]. See also Ledeen, Senate Dep., 6/19/87, at 111-17; id., 6/22/87, at 248-50 [Ledeen's being removed from the Iran Initiative]. For Ledeen testimony preceding this entry, see 85/11/00-200.)
85/11/25-705 DURING NOVEMBER 1985			THE 11/85 HAWK TRANSACTION: LEDEEN'S ROLE LEDEEN ACCOUNT, Part 1: "Q. During your contacts in November of 1985,

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			were you told that a shipment of Hawk missiles was being planned? "A. Yes, I was aware of that. "Q. And did you inform Mr. McFarlane that a shipment of Hawk missiles was being planned? "A. Again, I don't recall whether I discussed it with Mr. McFarlane. "Q. Isn't that something that you would have if your role was simply as a person who was passing information from one source to another? "A. Absolutely. "Q. So if you had acquired that information, isn't it reasonable to assume that you would have passed it on to Mr. McFarlane? "A. Yes, sir. But we're still in the position of contacts with people like Kimche, where I'm sure I had contact. But I just don't remember it specifically. In the case of McFarlane, it is certainly reasonable that I would have had such contact, but I can't recall it and I can't place it. "Q. Do you remember how many Hawk missiles they were proposing to send? "A. No. "Q. At one point, I think you told me in an earlier discussion, that the number one hundred seemed to ring a bell with you. "A. I remember asking North at one point, how many Hawk missiles could you get into a 707? And I remember him saying-- "Q. You remember North asking or your asking? "A. No, I asked North. How many Hawk missiles can you get into a 707? And he said

something like twelve and I said, what do you mean, twelve? He said, well, they come in big cases and big wooden boxes and packing and so forth. I said so that's interesting. And I remember saying to Schwimmer at one point, what are you going to do, have a caravan of 707s for these Hawks of yours? And he said no, we'll send a couple of planes. And I remember saying to him, but you can only get twelve Hawks in a 707 and he said, what are you talking about? We can get 40 or some such. So I remember sort of roughing it in my mind saying it was going to be something like three planes, three 707s. I was thinking along those lines. I think a hundred is about right.

"Q. Why did you ask Colonel North how many Hawks can you get in a 707?

"A. Just because Hawks were going to go to Iran and I was wondering [how many] planes it was going to be this time. It had been so exciting the last time with one plane. I wondered how many adventures we were going to have this time.

"Q. Were you led to believe that this shipment of Hawks would result in the release of the remaining hostages?

"A. Well, that was the theory.

"Q. And you were skeptical about that, I take it?

"A. Well, I was opposed to it.

"Q. By this point you were opposed to any further exchanges of weapons for hostages, correct?

"A. Yes.

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			"Q. And you had made Mr. McFarlane aware of your opposition? "A. Yes." (Ledeen, Senate Dep., 6/19/87, at 95-97.)
85/11/25-706 DURING NOVEMBER 1985			THE 11/85 HAWK TRANSACTION: LEDEEN'S ROLE LEDEEN ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. Did you know anything prior to the shipment about the way in which the Hawks would be shipped other than that they were going to be shipped by 707? Did you know who was going to be shipping? "A. I wasn't even sure of that. Well, the Israelis were going to ship them. I mean, remember, we were still in the same basic mode as the August-September TOW shipments, which is to say that Israel was selling these weapons to Iran. That the United States knew about, that the United States approved it, but it was nonetheless not an American operation and America was not operationally involved. So that it was for the Israelis to manage all of that stuff. Whatever the price was, they set it; however the stuff was to be transported, they were to do it; we were not engaged. "Q. And as far as you knew, the CIA was not involved in any way in this proposed shipment? "A. My instructions still were that I was not to inform the CIA of any of this. "Q. And prior to the shipment, you recall no discussions about involving any private U.S. citizens in the shipment to Iran?

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			"A. No. I was not privy to the arrangements anymore than I was in the first case. Actually, Schwimmer told me a day or two before what was going to happen, but it wasn't any of my business. "Q. Is it fair to say that in the November shipment, that Colonel North's role increased? "A. Yes, although in retrospect, it is now clear that his role increased. At the time, I wasn't particularly aware of the role that he was playing. "Q. You weren't aware of his involvement in the planning for the details of the shipment? "A. That's correct. "Q. Prior to the shipment, do you recall any discussion with any of the princip[al]s about the price that was going to be charged for the Hawk weapons? "A. No. I don't believe I know to this day what price was charged for the Hawks. "Q. All right. At some point during the shipment, do you recall learning that there were problems with the shipment? "A. Yes. "Q. What were the problems that you were aware of at the time? "A. I received a call from Mr. Ghorbanifar. Well, let me go back. Let me see if I can remember the sequence correctly. I got a call from Schwimmer saying that things were frightfully screwed up and what had gone wrong. That North had made various promises and it wasn't working out right and the planes couldn't land and so forth. I remember reporting this to North who

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			told me the same thing except that Schwimmer had said various things and nothing had worked out." (Ledeen, Senate Dep., 6/19/87, at 97-100.)
85/11/25-707 DURING NOVEMBER 1985			THE 11/85 HAWK TRANSACTION: LEDEEN'S ROLE LEDEEN ACCOUNT, Part 3: [Ledeen's response continues from preceding entry:] "[A.] And then, I think a few days later, I then got a call from Ghorbanifar in which he said, on the very edge of hysteria, that the most horrible thing had happened. That these missiles had arrived and they were the wrong missiles. That it was a provocation and that it was an Israeli provocation because not only were they the wrong missiles, but they came with Israeli markings all over them. And you can imagine what effect this has had on our people and so on and so forth and that various high Iranian officials may go into cardiac arrest within hours and here is a message from the Prime Minister for the President of the United States and he read it to me and I copied it down and I carried it in[ ]to Poindexter later that evening. "Q. What was the message? "A. The message was that we have been honest with you people, we have done everything that we have said we were going to do, you are now cheating us and provoking us, and you must set this thing right immediately. "Q. Did you get any response when you submitted that message? "A. Yes. I was fired on. [Sic.]

"Q. Do you connect the delivery of that message with the decision to remove you from the initiative?

"A. No, I don't.

"Q. All right. I believe it's correct that you did not know, by name, by [sic] Richard Secord was involved with this shipment in any way, is that right?

"A. That's right.

"Q. You had heard someone make reference to the name Copp, though, during this time?

"A. Yes.

"Q. Who made that reference and in what context did they make the reference?

"A. Well, North made that reference. Copp was the name that I'd heard around the office. He would tell Fawn to call Copp or Fawn would say Copp's on the phone or here's Copp or there's Copp. That was a known name.

"Q. And how did you connect it with the November Hawk shipment?

"A. Ollie told me at a certain point that when the thing had gotten messed up and he had been asked to come in and salvage it, that Copp had been the man on the spot and had gone there and done it all.

"Q. Do you recall any discussion around that time about using a cover story for this shipment?

"A. No.

"Q. That it should be considered oil drilling equipment rather than Hawk missiles?

"A. No.

"Q. Did you know at that time, that a CIA proprietary was involved in the shipment?

"A. No.

"Q. Did you know of any CIA involvment with this shipment, at that time?

"A. No."

(Ledeen, Senate Dep., 6/19/87, at 100-02.)

85/11/25-810
NOVEMBER 1985

THE 11/85 HAWK TRANSACTION: DoD AWARENESS
WEINBERGER ACCOUNT:

"Mr. GENZMAN. . . . Mr. Secretary, earlier you testified that you were not aware of the November 1985 Hawk shipments from Israel to Iran at the time those occurred; is that correct?

"Secretary WEINBERGER. Yes, that is correct.

"Mr. GENZMAN. And earlier we discussed the fact that around this same time Dr. Gaffney and some of his colleagues at the Defense Department were preparing some point papers regarding Hawk missiles and Tow missiles.

"Secretary WEINBERGER. Yes.

"Mr. GENZMAN. To your knowledge, did Dr. Gaffney and his colleagues know that the 1985 Hawk transfers had occurred at that time?

"Secretary WEINBERGER. I have no idea. I don't believe so, but I don't know.

"Mr. GENZMAN. To your knowledge, did anyone at the Defense Department know at that time that these 1985 Hawk transfers had occurred?

"Secretary WEINBERGER. I don't believe so. No one ever discussed it with me.

"Mr. GENZMAN. Would it be fair to say that to your knowledge the people involved in these point papers were addressing the idea of prospective

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			arms transfers rather than actual arms transfers that had occurred? "Secretary WEINBERGER. I think they were discussing questions that had come over from the NSC that would involve possible arms transfers or even just theoretical questions that they would be asked to respond to for whatever purposes the staff over there might have wanted." (Weinberger Testim., JHICI, 7/31/87, at 153-54.)
85/11/25-900 NOVEMBER 25 - DECEMBER 2, 1985			THE 11/85 HAWK TRANSACTION: POINDEXTER'S NOTES POINDEXTER DEPOSITION ACCOUNT: "Q. If you look at [Poindexter Dep.] Exhibit 1, which is the notes that you produced last time, on November 25, 1985, you have 'hostages', and then 'one to Tehran, 22', and then an arrow pointing to two. What does that all mean? "A. I don't know what that means. Obviously when I was going through that earlier I tried to recall what that means. "Q. What do you use an arrow for? "(Pause.) "A. My speculation is, and I can't be sure, is that it probably means one shipment to Tehran on the 22nd and you get out two hostages. That's probably what it means, but I'm not certain of that. In fact, that just occurred to me as I was looking at it. "Q. And then the next thing just was a box with 'hostages', and that means it was discussed? "A. Discussed some aspect of it -- no telling what aspect, though. "Q. And then following 12/2/85 you have a

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			note indicating like a checklist, I would call it, 'get debrief from Ollie'. That's correct? "A. Um-hum. I don't know what subject, though. "Q. Were you aware that at that point North was in contact with Secord and others on this hostage endeavor? "A. I wouldn't call it the hostage endeavor. On the Iranian project. "Q. On the Iranian project. The Iranian project had as an ingredient -- "A. A component. "Q. Getting the hostages out. "A. That's correct." (Poindexter, Senate Dep., 6/17/87, at 350-51; Poindexter Dep. Ex. 1 [Poindexter handwritten notes, 11/25/85 (p. 9) and 12/2/85 (p. 11)].)
85/11/26-010 NOVEMBER 26, 1985			THE 12/5/85 FINDING: CASEY'S CONTACT WITH POINDEXTER CASEY MEMO: Casey sends a cover memo to Poindexter, subject: "Presidential Finding on Middle East": "Pursuant to our conversation this should go to the President for his signature and should not be passed around in any hands below our level." (JHICI Ex. JMP 18 [= Ex. SS 3]. See 85/12/05-020 [text of Finding signed 12/5/85].)
85/11/26-050 LATE NOVEMBER 1985			THE IRAN ARMS TRANSACTIONS: PRESIDENTIAL AUTHORIZATION McFARLANE ACCOUNT: McFarlane, testifying on the November 1985

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			HAWK shipment, and on his interview with Attorney General Meese in 1986 in which Meese said that "the earlier the President makes that decision, the better he is in legal terms": "Mr. STOKES. . . . Was that your understanding that with reference to the November 1985 Hawk shipment that the President had in fact made an oral finding? "Mr. MCFARLANE. I believe that the President's August decision legitimized sales which would occur that fell within the criteria he had established, yes, sir." (McFarlane Testim., JHICI, 5/14/87, at 40-41.)
85/11/26-051 NOVEMBER 26, 1985			THE 11/85 HAWK TRANSACTION: PRESIDENTIAL APPROVAL NORTH NOTEBOOK ENTRY: North's notebooks indicate he was informed on November 26, 1985 that the President had authorized continuation of the HAWK transaction: "0940-1050 Mtg w/ JMP "-RR directed op[eration] to proceed "-If Israelis want to provide diff model, then we will replenish "-We will exercise mgt over movmt if yr side cannot do "-must have one of our people in on all activities" (JHICI Ex. OLN 69-A [North notebook entry, 11/26/85 (Committee Document Q 1354)]. See Iran-Contra Report, at 187.)
85/11/26-060			THE IRAN ARMS TRANSACTIONS: PRESIDENTIAL

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SOMETIME IN JULY AND NOVEMBER 1985			AUTHORIZATION NORTH ACCOUNT: North testified on the President's authorization for the November 1985 shipment. North implied he knew in November 1985 that the President had authorized in July 1985 the arms deals with Iran, and that the President redecided in November to allow the transactions to go forward: ". . . I was led to believe, and I can't recall exactly how, but at that point in time, that the President had made a finding, done it -- made a decision back in July that authorized us to proceed. "I was then in a meeting with Admiral Poindexter or on the telephone with Admiral Poindexter to confirm that this shipment should go forward; and I have a contemporaneous note that the President redecided at that point to let this go forward." (North Testim., JHICI, 7/7/87, at 173-74.)
85/11/26-090 FROM MID- NOVEMBER 1985 ON			THE 11/85 HAWK TRANSACTION: LEGALITY NORTH ACCOUNT: Asked whether "the pre-finding shipments by the Israelis were in violation of law," North prefaced his response with a broad statement of the legality of all his actions: "I don't believe that anything I did while I was at the NSC was a violation of law, nor do I believe that anything we did while I was at the NSC was a violation of law. I didn't believe it then; I don't believe it now.

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			"If I believed it then, I wouldn't have done it." (North Testim., JHIC1, 7/7/87, at 106.)
85/11/26-300 LATE NOVEMBER 1985 THROUGH JANUARY 17, 1986			THE 11/85 HAWK TRANSACTION: PRESIDENTIAL AUTHORIZATION AND LEGAL CONCERNS NORTH ACCOUNT: North testified on the steps leading to the decision in January 1986 to purchase weapons for Iran through the CIA under the Economy Act: "Mr. NIELDS. We have had testimony from DOD officials before this committee that not only was the replenishment a problem, but the transfer by the Israelis to the Iranians was itself a violation of the Arms Export Control Act, and our consent to it was similarly a violation. "Now, was that brought to your attention at the time? "Mr. NORTH. No, but what was -- in fact, I don't think anybody -- you probably can find something different, but I don't remember anybody saying, 'Ollie, what was done is wrong,' but I do remember some -- you know, at some point in here saying, 'Look, you had a Presidential decision back in July that authorized this thing. The way you, North, are trying to go about this by making it a covert buy under a normal foreign assistance sale isn't right. The way to do it is to make a purchase under the Economy Act from the CIA, or the CIA buys it from the Pentagon, and that is the way to do it.' "What I am saying, it wasn't a matter of someone trying to evade or avoid. It was a matter

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			of getting this kid smart, because I had been given the job of replenishing. So, that is the way we went about doing it." (North Testim., JHICI, 7/7/87, at 172.)
85/11/26-390 NOVEMBER 1985 - JANUARY 1986			THE 11/85 HAWK TRANSACTION: ATTORNEY GENERAL'S AWARENESS AND THE 12/5/85 FINDING MEESE ACCOUNT: "Mr. NIELDS. There was a finding drafted by the CIA and specifically its counsel, Mr. Sporkin, on the 25th of November 1985, which was eventually signed according to the testimony of Admiral Poindexter, on December 5th, 1985. Were you consulted in any way in connection with that finding? "Attorney General MEESE. No, Counsel, I was not. "Mr. NIELDS. And did you have any knowledge of it at the time? "Attorney General MEESE. I had no knowledge of it at the time. "Mr. NIELDS. I take it then that your first knowledge of the so-called initiative involving arms sales to Iran came in January of 1986? "Attorney General MEESE. That is correct." (Meese Testim., JHICI, 7/28/87, at 20-21.)
85/11/26-393 PRIOR TO NOVEMBER 1986			THE 11/85 HAWK TRANSACTION: ATTORNEY GENERAL'S AWARENESS MEESE ACCOUNT: "Mr. VAN CLEVE. . . . Mr. Nields asked you . . . specifically about your knowledge of the [1985 arms] shipments at the time they occurred or

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			"Mr. LEON. Or for that matter, prior to the November 22nd, 1986, incident when he interviewed the counsel to the CIA, Judge Sporkin. "Mr. POINDEXTER. I don't have any reason to believe that Ed was aware of that finding." (Poindexter Testim., JHICI, 7/17/87, at 94-95.)
85/11/26-500 AFTER NOVEMBER 25, 1985			THE 12/5/85 FINDING: RATIFICATION PROVISION NORTH ACCOUNT: "Mr. VAN CLEVE. . . . [Y]ou also testified that you believe the November 1985 finding was intended to cover the prior, August-September Israeli shipment as well as the November Hawk shipment. "Mr. NORTH. Absolutely. "Mr. VAN CLEVE. What is your basis for that testimony? "Mr. NORTH. Well, I mean, I was by then looking for a way to replenish the Israeli TOWs that had been shipped in September or August-September. I mean, that was one of my principal 'running around town trying to solve a problem' modes, and that was indeed the problem that--one of the problems that I was trying to address. "So that finding was designed to be able to, one, cover the fact the CIA had indeed helped with the November shipment and was involved, is going to have to be involved in getting them back. We knew that by then and . . . the Government of the United States had been a party to the September shipment." (North Testim., JHICI, 7/9/87, at 101-02.)

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			during the period prior to November 1986 and he also asked you whether you were consulted with respect to the finding. "During your tenure as Attorney General and prior to 1986, were you ever asked for legal advice with respect to those shipments? "Attorney General MEESE. I do not recall ever being either asked for advice or notified or given information about those shipments prior to November of 1986." (Meese Testim., JHICI, 7/28/87, at 182-83.)
85/11/26-400 AROUND NOVEMBER 26, 1986			THE 11/85 HAWK SHIPMENT: ATTORNEY GENERAL'S AWARENESS AND THE 12/5/85 FINDING NORTH ACCOUNT: "Mr. NIELDS. Was the Attorney General aware in November of 1985 that eighteen Hawk missiles had been shipped to Iran? "Mr. NORTH. I did not specifically address it to the Attorney General in November of 1985. I do remember discussions that included the Attorney General subsequent to this event. "I believe there was one that Mr. McFarlane referred me to in December that I believe may well have addressed this issue because, when he joined me in London, we talked about how to fix the problems that had been created by the September and November shipments. "One of the issues that had already come up by then was a draft finding prepared in concert with Mr. Sporkin, who was at the time the general counsel of the Central Intelligence Agency. I was led to believe, or at least came to believe in

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			1985 that Mr. Sporkin had gotten the acquiescence or support--either he or Director Casey--of the Attorney General in the November finding. "The November finding specifically referred to prior actions." (North Testim., JHICI, 7/7/87, at 85-86. See id., 7/13/87, at 191-92 [North understood that the Attorney General had a part in the 12/5/85 Finding].)
85/11/26-420 AROUND NOVEMBER 26, 1985			THE 11/85 HAWK SHIPMENT: ATTORNEY GENERAL'S AWARENESS NORTH ACCOUNT: "Mr. VAN CLEVE. . . . When do you think that Attorney General Meese found out about the November 1985 Hawk shipment? "Mr. NORTH. It was my understanding at the time that Attorney General Meese became aware of the 1985 transactions at about the time we were preparing the first covert action finding. "Mr. VAN CLEVE. Can you be as specific as possible, please? "Mr. NORTH. That finding was sent forward by Director Casey after being worked on by the general counsel at CIA and myself on or about the 26th of November 1985. My understanding was that that finding was either--had been or was then[--]coordinated with the Attorney General's office, and that we found, A, one [sic] clearance for a rationale of ratification and that, number two, we covered the issue of whether or not this was an appropriate way to handle the transaction. ". . . [A]gain this may all be an assumption,

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			because I did not talk to the Attorney General about this issue at that time." (North Testim., JHICI, 7/9/87, at 96-97. See id., 7/9/87, at 98 [North: "Please make that very clear. I did not discuss this with the Attorney General until January."], 99 [North: "No one specifically told me, Ollie, the Attorney General of the United States has vetted off on this thing and said it is approved. No one did."].)
85/11/26-421 NOVEMBER - DECEMBER 1985			THE 12/5/85 FINDING AND THE ATTORNEY GENERAL'S TYPICAL ROLE IN FINDINGS NORTH ACCOUNT: North cited his prior experience in preparing Findings as one basis for his assumption that Meese was involved in the drafting of a Finding immediately after the November HAWK shipment: "Mr. VAN CLEVE. From whom did you obtain your understanding about the Attorney General's participation in the preparation of that finding? "Mr. NORTH. Well--and it may all be hearsay and it may just be imagination--but every other finding that I worked on, and there were several, on this and other issues, I coordinated with the Attorney General. It was a routine thing to coordinate with the Attorney General. "Number two, I understood that the determination that we could indeed proceed in this direction selling through a finding, selling arms through a finding, had been obtained from the Attorney General, because he had it in his files from his predecessor; and, number three, that the ratification kind of language had been approved by

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			the Attorney General. And thus I was not surprised therefore to see the findings signed later on. ". . . ." (North Testim., JHICI, 7/9/87, at 97-98.)
85/11/26-427 NOVEMBER OR DECEMBER 1985			THE 11/85 HAWK SHIPMENT: ATTORNEY GENERAL'S AWARENESS McFARLANE ACCOUNT: Asked whether the Attorney General knew of the HAWK shipment in November or December 1985, McFarlane testified, "I have no basis for believing that the Attorney General ever knew about it in 1985." (McFarlane Testim., JHICI, 7/14/87, at 280.)
85/11/26-430 NOVEMBER 1985 - NOVEMBER 1986			THE ATTORNEY GENERAL'S ROLE IN THE 12/5/85 FINDING POINDEXTER ACCOUNT: "Mr. LEON. Did you ever personally sit down and discuss with the Attorney General or over the phone discuss . . . your unhappiness with that November 26th finding? "Mr. POINDEXTER. I don't believe I did. "Mr. LEON. Okay. Were you ever present when that was discussed in his presence, any problems with regard to it? "Mr. POINDEXTER. No, I don't believe. "Mr. LEON. Did you have any knowledge that he ever reviewed it or saw it prior to the January 17 finding? "Mr. POINDEXTER. I have no indication of that.

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85/11/26-700 LATE NOVEMBER 1985			THE 11/85 HAWK TRANSACTION: REPLENISHMENT NORTH ACCOUNT: North testified on Poindexter's and McFarlane's contact with the DoD on replenishing the weapons shipped by Israel to Iran: "Mr. NIELDS. Who in the NSC besides yourself, if anyone, was dealing with officials at the Department of Defense on the replenishment issue? "Mr. NORTH. The only other person I know for sure was dealing with it at DOD was Admiral Poindexter, and I guess Mr. McFarlane. I know that I had to go to Admiral Poindexter a couple of times, and say, 'Hey, look, I am having a problem with A, B or C, and can you help?' "And he would either call or write or whatever was done. Then I would get a call back, and we would get on with it. "Mr. NIELDS. Was that the case with respect to this Hawk replenishment issue? "Mr. NORTH. Yes. Again, I am having a hard time recalling exactly what was transpiring at the time. . . . "Mr. NIELDS. Who had authorized you to go to the Department of Defense and seek replenishment of the Hawks? "Mr. NORTH. Admiral Poindexter or Mr. McFarlane. I did not go to the Pentagon, nor would they have answered me when I called if I didn't have authority. I am sorry. Were you talking about replenishment of Hawks or TOWs, or both? "Mr. NIELDS. Hawks.

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"Mr. NORTH. Well, I would guess it was the same authority for both.

"Mr. NIELDS. Admiral Poindexter or Mr. McFarlane?

"Mr. NORTH. Yes.

"Mr. NIELDS. Do you know whether either of them communicated directly with the Department of Defense officials on the issue of replenishment of Hawks?

"Mr. NORTH. I do not. And I do not know that they communicated direct, for sure, communicated direct on the issue of TOWs. But I would like to point out that if a Marine Lieutenant called the Pentagon this afternoon and asked for 500 TOWs to be shipped overseas, and he didn't have a little more backing than oak leaves on his collar, they would come and collar him and take him away.

"So, I had authority to do that, counsel. I want you to understand that. I don't know exactly who called who[m], but I was talking to General Colin Powell, who is the aide to Secretary Weinberger; at various points, I talked to Mr. Koch. I eventually ended up talking to Mr. Armitage.

"When we finally got around to doing it the right way, through the Economy Act -- in fact, the only way it was ever done -- I was talking with CIA logisticians and logisticians out [ ] at the Pentagon.

"Mr. NIELDS. So what you are saying is that somebody, either Admiral Poindexter or Mr. McFarlane, gave you the authority to go to DOD and seek replenishment?

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			"Mr. NORTH. Yes. "Mr. NIELDS. Do you recall reporting to one or both of them concerning your contacts with DOD on the subject of Hawks? "Mr. NORTH. I recall reporting to both of them voluminously about this whole problem." (North Testim., JHICI, 7/7/87, at 175-78.)
85/11/26-750 NOVEMBER 1985 THROUGH JANUARY 1986			THE 11/85 HAWK TRANSACTION: REPLENISHMENT POINDEXTER DEPOSITION ACCOUNT: "Q. Do you know [General] Powell, Colin Powell? ". . . . "A. Yes, I do. He was at the time -- November of '85 -- he would have been military assistant to the Secretary of Defense. So I dealt with him quite frequently over the years prior to my being National Security Adviser. "Q. Did you contact him around the middle of November, 1985, in order to find out if we could replenish Hawks? "A. I have a vague recollection of doing that. There were several discussions. As far as I knew at the time, I think he and the Secretary of Defense were the only ones in the Defense Department that I knew of that were aware of anything about the Iranian project that Mr. McFarlane had started with the President's agreement. "[Q.] How did you know that? "[A.] Well, I guess I probably assumed it. I knew that Secretary Weinberger had been in on meetings on the subject of what the Iranians

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			wanted to do, and I guess I assumed that he had probably told Colin Powell, because my experience up until that time would have been that Colin Powell knew essentially everything that Secretary Weinberger knew. It may have been a false assumption. "[Q.] Do you actually have a recollection as you sit here today, now, of talking to Colin Powell about the replacements? "[A.] I don't have a distinct recollection of a telephone conversation during that time frame. But I do recall at some point in the process talking to General Powell about replacements for the Israelis. "Q. Hawks? "A. Hawks. "[Q.] If you were talking about replacements for the Israeli Hawks, would I be correct that that would have meant that the conversation took place at a time when . . . it was contemplated that the Israelis would be shipping those Hawks to Iran? Because after . . . this debacle, the Hawks were going to be returned to the Israelis. "[A.] But we didn't know that, Mr. Liman. At the time that things were happening in November of '85, we frankly didn't know how screwed up it was. We didn't know they had shipped the wrong thing. We didn't know that the Iranians had refused it. "Q. When do you fix the time that you knew that the Israelis would not need a replacement for Hawks? "A. Probably not until sometime early in 1986.

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			"Q. You fix it with when Nir is in the picture, or before? Nir comes in in the beginning of January. "A. I would place it after that. Because I see, I believe my notes . . . with Nir refer to the TOWs, but I don't believe it refers to the Hawks. "You see, the other interesting thing is, I know it maybe sounds unbelievable that I couldn't remember in early '86, but even -- see, if you go back to my notes in briefing the President, I noted here [Poindexter Dep. Ex. 1, p. 21] that we talked -- ". . . . "A. I don't think we say anything there about Hawks. "Q. This is the January 2, '86? "A. Yes. "Q. Doesn't mention Hawks. "A. It does mention the TOWs; and so I can't -- you know, obviously something about the Hawks did not leave the kind of indelible impression on my mind that you think it did." (Poindexter, Senate Dep., 5/2/87, at 100-03.)
85/11/26-753 NOVEMBER 1985 THROUGH JANUARY 1986			THE 11/85 HAWK TRANSACTION: REPLENISHMENT POINDEXTER DEPOSITION ACCOUNT: "Q. Do you recall speaking to either Colin Powell or to the Secretary of Defense to task them to locate HAWKs to replace the Israeli HAWKs? "A. I remember at least one or maybe more conversations with Colin Powell on that subject. I don't remember the time frame.

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			"Q. What are the discussions that you remember with Colin? "A. Asking him about availability. "Q. Availability of HAWKs? "A. HAWKs. I think probably -- I can't recall. "Q. Does the number 500 HAWKs stand out in your mind? "A. No, it doesn't stand out. May have discussed cost with him, although I frankly doubt it. It was more availability and timing because I guess my concerns would have been whether they had to be taken out of stock and what impact that would have on military readiness and so forth. "Q. Who asked you to make these inquiries of Powell? "A. I can't recall. I assume it would be Mr. McFarlane, but I frankly can't recall. I do recall conversations with Powell. "Q. Do you recall the conversations with Powell in the context of supplying the HAWKs to Iran or to Israel to replace shipments of HAWKs that they would be making to Iran? "A. I may not have explained to General Powell exactly why I wanted to know the information. I don't remember it. "Q. But whether you explained it to him or not, you understood what the purpose was? "A. I understood that, oh, yes. But I'm not sure I explained that to him. "Q. Do you recall Powell expressing any objection to you about sending HAWKs to Iran? "A. He may very likely have.

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			"Q. Why is that that he may very likely have, Admiral? "A. Well, Secretary Weinberger frankly wanted to [redacted.] I don't want to indicate that he didn't understand the strategic significance of Iran. I think he clearly does, but he had a pretty strong position in that respect, and so General Powell almost always reflected the Secretary's view very accurately. "Q. Admiral, did Colin Powell get legalistic on behalf of the Secretary in saying why you shouldn't ship these? "A. I can't recall that. He may have. "Q. Did he talk about the Arms Export Control Act? "A. It's possible, but I don't remember it." (Poindexter, Senate Dep., 6/17/87, at 345-47.)
85/11/26-754 NOVEMBER 1985 THROUGH JANUARY 1986			THE 11/85 HAWK TRANSACTION: CONGRESSIONAL NOTIFICATION POINDEXTER DEPOSITION ACCOUNT: "Q. Did Powell ever say to you during this period when you were talking to him about the HAWKs that you would have to give notice to Congress under the Arms Export Control Act? "A. You're talking about what time frame now? "Q. Well, I believe your conversations with Powell were in November of '85. "A. I can't recall that. He may have said that but I just don't recall it. At some later point, but I think this was in '86, that issue came up again, and he eventually sent me a memo, as I recall, that had been sent to him by an Army

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			logistics agency. And I'm a little confused about my recollection of that and the conversations in November." (Poindexter, Senate Dep., 6/17/87, at 349-50.)
85/11/26-850 NOVEMBER 21, 1985 - JANUARY 5, 1986			THE IRAN INITIATIVE: LEDEEN'S ROLE POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Let me show you a couple of miscellaneous documents and see if you can tell us what they are about. One is a PROF note dated 11/26/85. It's from McFarlane. The subject is Ledeen. It is not to you. I don't know if you can tell by the initials who[m] it's to. ". . . . "A. It's to Wilma Hall. "Q. It's to Wilma Hall. "A. His secretary, and to Ollie. "Q. And it says -- "A. And a copy to me. "Q. A copy went to you. It says: Please tell Mike -- and Mike means Michael Ledeen -- that I had no opportunity to talk to press in Rome but will find a way. On further travel, please pass Mike's message to John Poindexter. I am inclined to think that we should bring this operation into the NSC and take Mike out of it and will await John's thoughts. No further communications to Mike on this until I have thought it through. "Is this the Iran initiative or some other of Ledeen's projects? "MR. BECKLER: If you know. "THE WITNESS: I don't know for certain, but I suspect it's Iran.

"BY MR. LIMAN: (Resuming)

"Q. Do you remember any discussion with McFarlane or North on Ledeen's role?

"A. Yes, I do.

"Q. What do you remember about that?

"A. I was generally aware that -- well, Mr. Ledeen was an NSC consultant because my impression was -- and I guess I don't know it for a fact, but my impression was that he was a consultant because Mr. McFarlane thought highly of him. And I was aware that Mr. McFarlane had him involved in the discussions with the Israelis on the Iran project and my recollection is -- and one thing about that cable you showed me earlier that Mr. McFarlane sent to Secretary Shultz was that my recollection is that Ledeen had some contact or connection with [redacted.]

"And the purpose of the letter that you brought out earlier to [redacted] was really in fulfilling a request from Mr. McFarlane to me that he wanted Mr. Ledeen to go to Europe and talk to some officials. I frankly was never completely comfortable with Mr. Ledeen.

"Q. Why?

"A. I frankly thought he talked too much and I didn't think he was a particularly discre[et] emmisary to be using. And -- will all of this be made public?

"Q. We can use some discretion.

"A. Well, for example, [redacted] made a [redacted.] And so my discussions with Colonel North was to -- and when Colonel North and I became more involved in November of '85 with this

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			HAWK shipment we've been talking about, we were both concerned, especially after we found out that the Israelis had screwed up in the shipment, that we were concerned with Ledeen not really being very knowledgeable about what he was dealing with. "And at some point I believe I told Mr. McFarlane -- and it was probably in response to this note -- that I thought that we ought to drop Michael Ledeen out of it. And, of course, shortly after this note Mr. McFarlane decided to resign and I may not have told him that because of the confusion of that time period. "Anyway, when I took over eventually we did drop Mr. Ledeen out. "Q. When do you date Ledeen's removal from the whole Iran initiative? "A. Well, certainly by the 5th of January when I took over. "Q. He was out? "A. He was out. ". . . ." (Poindexter, Senate Dep., 6/17/87, at 359-62; Poindexter Dep. Ex. 36 [McFarlane PROF to Wilma Hall, "Michael Ledeen", 11/26/85; Committee Document N 12094].)
85/11/26-851 FROM NOVEMBER 1985			THE IRAN INITIATIVE: LEDEEN'S ROLE POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. On the Ledeen point, Admiral, did Ollie North ever express to you the opinion that he thought Ledeen was maybe making some monies out of these transactions?

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			"A. He did. "Q. Do you remember when he first might have suggested that to you, that he was concerned about it? "A. I can't remember that. "Q. Let me ask you this. Would it ring a bell if he might have told you that on Friday, November 21, 1986, after visiting with Ledeen that morning? "A. My recollection would have been before that. "BY MR. LIMAN: (Resuming) "Q. Was it a suspicion or did he have hard information, Admiral? "A. Well, I don't know how hard it was. I think it would be fair to say that Colonel North had an even greater distrust for Mr. Ledeen than I did, and I'm not totally sure I understand why, but at some point -- and this would have been in early '86, I think -- Colonel North reported to me that he and Dick Secord had figured out that Schwimmer and Nimrodi were making a considerable profit on the arms sales that they had been making to Iran. "I rather think, trying to stick to the Ledeen connection, that Colonel North was at least suspicious that Ledeen may have gotten some of that profit, but I don't think I ever knew if Colonel North had any hard evidence on that or not." (Poindexter, Senate Dep., 6/17/87, at 363-64; Poindexter Dep. Ex. 36 [McFarlane PROF to Wilma Hall, "Michael Ledeen," 11/26/85]. See

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			86/01/16-653 [Ledeen's denial that he profited]. See also 85/11/25-700 [Ledeen's testimony on his being removed from the Iran Initiative by Poindexter].)
85/11/27-100 NOVEMBER 27, 1985			THE 11/85 HAWK TRANSACTION: CIA CONTINUED INVOLVEMENT Clarridge cable to CIA officers at two locations still providing assistance to the operation to get the HAWKs into Tehran: "[T]his operation is still on. However, at this point, I do not think that we will be ready for our second sortie until probably early next week. [For your information], whatever was supposed to happen after the first sortie did not happen and we are regrouping." (JHICI Ex. C-24. See JHICI, 6/24/87, at 272 [Eggleston summary].)
85/12/00-000 SOMETIME IN DECEMBER 1985		SINGLAUB-CASEY CONTACT AND THE 3-WAY TRADE PROPOSAL SINGLAUB ACCOUNT: After Singlaub has arranged the June-July 1985 arms delivery to the Contras, he speaks with DCI Casey about how effectively GeoMiliTech has handled the shipment. Singlaub and Casey have "a very brief conversation" outside Casey's office. (Singlaub adds, "Casey threatened to throw me out of his office if I" mentioned Contra-related activities.) Singlaub tells Casey "that we have been able to set together a mechanism which appeared to be secure, honest, efficient, for delivering weapons to the Nicaragua freedom	KIMCHE'S RESIGNATION: Kimche resigns his position in the Israeli Foreign Ministry: "Mr. MCFARLANE. . . . The point that has always puzzled me about this [the TOW shipment in Aug.-Sept. 1985] is that Mr. Kimche left the government in December of 1985. "It may have been coincidental. I say that only as interesting to the extent that I think it likely he may have become very disenchanted with the Iranian connection himself. Now, I do not know." (McFarlane Testim., JHICI, 5/13/87, at 25; see id., 5/13/87, at 32 ["[T]here was never any

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		fighters at considerably less [than prior costs] . . ., and I thought that he ought to know of that, and make some effort to use that facility in the future." Casey susequently meets with the President of GeoMiliTech in December 1985. Singlaub is not present. Prior to the meeting, however, he reviews a report (Ex. JKS 6) that will be presented to Casey and which "was discussed [timing unclarified] with Oliver North . . . [and] with former senior officials of the U.S. Goverment." The report proposes a 3-way trade to "enable the U.S. Government, the Administration, to acquire some Soviet-bloc weapons without having to go through the painful process of appropriations," in order to provide weapons to anti-Communist insurgencies in Nicaragua and around the world. Singlaub testified he does not know whether the plan was ever approved by Casey. (Singlaub Testim., JHICI, 5/20/87, at 229-34; JHICI Ex. JKS 6. See Singlaub Testim., JHICI, 5/21/87, at 174-75 [Singlaub: "I did speak to Mr. Casey in 1985 and 1986. But never on the subject of Nicaragua. . . . [He] indicat[ed] that he did not want me to raise that subject with him because he clearly was an intelligence officer and probably covered by the Boland Amendment."].)	suggestion on the part of Mr. Kimche that Israel was seeking to subvert us or to influence us unduly."]. On fall 1986 as the date Kimche left the Israeli Government, see N.Y. Times, 5/23/87, at 4, col. 5 [Kimche served as Director General of the Foreign Ministry from 1981 "until last fall" (1986)]; id., 10/11/86, at A3.)
85/12/00-010 AROUND DECEMBER 1985	THE SINGLAUB-STUDLEY 3-WAY TRADE PROPOSAL DESCRIPTION, Part 1: "1. OBJECTIVE	THE SINGLAUB-STUDLEY 3-WAY TRADE PROPOSAL DESCRIPTION: See col. 1.	

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	"To create a conduit for maintaining a continuous flow of Soviet weapons and technology, to be utilized by the United States in its support of Freedom Fighters in Nicaragua, Afghanistan, Angola, Cambodia, Ethiopia, etc. "2. PROBLEM "With each passing year, Congress has become increasingly unpredictable and uncooperative regarding the President's desire to support the cause of the Freedom Fighters, despite growing Soviet oppression. The funds have not been forthcoming to supply sufficient arms necessary for the Freedom Fighters to win. Therefor [sic], in leiu [sic] of the necessary funding to support this goal, the following 3-Way Trade is proposed: "3. PROPOSAL "COUNTRY 'A': [Redacted] is capable of producing an ongoing supply of Soviet-compatible arms. [Redacted] is at the same time trying desparately [sic] to upgrade their own military forces and equipment. They would like to purchase from [redacted] a wide range of military equipment. "COUNTRY B: [Redacted] would like to sell to [redacted], but Israel's economy is not capable of supporting long-term credit or barter agreements. As such, the United States is the key in the successful 3-Way Trade. "COUNTRY 'C': UNITED STATES. The United States is able to provide Israel with desired High Technology equipment and information. Based on this commodity, the Trade would operate as follows:		

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	"4. RESULTS "[Redacted] sells equipment, which in many cases sits stockpiled at present, to [redacted.] In return, [redacted] receives from the United States equipment and technology that it could not otherwise afford to purchase. "[Redacted] receives much-needed modernization for its forces, thereby presenting a stronger threat to the Soviet Union. In return, [redacted] exports an ongoing supply of domestically manufactured arms, as per directions from the United States. "The United States then has at its disposal a large and continuous supply of Soviet technology and weapons to channel to Freedom Fighters worldwide, mandating neither the consent or awareness of the Department of State or Congress. "The United States would be in a position to dispense these shipments through a neutral Foreign Trading Company, established solely for this purpose. "[Redacted] would only be aware of the fact that it is to ship to the Trading Company such specified goods as requested, comparable in USD value to the equipment received from Israel. [Redacted] would not be aware of the final destinations of any of the exported arms. "Israel would only be aware of the buying power extended by the United States for US technology, again in comparable USD value to the equipment sent to [redacted.]" (JHICI Ex. OLN 326. Text of proposal continues in next entry.)		

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85/12/00-011 AROUND DECEMBER 1985	THE SINGLAUB-STUDLEY 3-WAY TRADE PROPOSAL DESCRIPTION, Part 2: [Text of proposal continues from preceding entry:] "The United States at present holds to a policy of providing assistance to [redacted], a goal which would be forwarded through this transaction. Likewise, the United States is committed to extending financial and technological assistance to the State of [redacted.] This too would be accomplished. There are many avenues available regarding the forms of credit which could be extended to Israel. "We have received confirmation from [redacted] and [redacted] that they are most interested in pursuing their role in this trade arrangement. Upon your encouragement and belief that the United States could perform its role, we will proceed with [redacted] and the [redacted] defining their respective roles and the equipment they are willing to trade. This will serve to establish our initial parameters of equipment quantities, and the proportionate amount of credit required." (JHICI Ex. OLN 326. See JHICI Ex. JKS 6 [Diagram portraying 3-way trade, with arms channeled through a "trading company" and "to be disbursed as per US instructions" to resistance groups in Afghanistan, Angola, Nicaragua, and Cambodia. This diagram appears in the Iran-Contra Report, at 270, Fig. 15-1.].)	THE SINGLAUB-STUDLEY 3-WAY TRADE PROPOSAL DESCRIPTION: See col. 1.	

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85/12/00-100 AROUND DECEMBER 1985	THE 3-WAY TRADE PROPOSAL NORTH ACCOUNT: See col. 2.	THE 3-WAY TRADE PROPOSAL NORTH ACCOUNT: "Mr. SARBANES. . . . General Singlaub testified to this memo when he was before the committee, and what it does is it sets up . . . a scheme whereby the United States would provide credits and high technology to, say, country A; country A would provide advanced military weaponry to country B, and Country B would then provide Soviet-made arms, which apparently are what are used in these, around the world on both sides in these battles, to a trading company. "And then the trading company could then put the arms out, I take it, anywhere it chose, and it mentions here as examples: Afghanistan, Angola, Nicaragua, Cambodia, but there could have been others as well, I take it. Are you familiar with this memo? "Mr. NORTH. I believe that this may be a copy of a memo that General . . . ". . . . "Mr. NORTH. Okay, that General Singlaub had provided to me. I don't honestly recall when that was. "Mr. SARBANES. Now he said he discussed it with Director Casey. Were you aware of that? "Mr. NORTH. No, I don't believe I was. "Mr. SARBANES. Well, now this scheme is in many respects comparable to the arrangements that you had worked out with General Secord and Mr. Hakim, although it eliminates the three-way play among the nations, but it nevertheless allows in	

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		the end for support to go to these various efforts; and if you turn to the third page of the memo, the one headed 'Results', what the results would be of this arrangement, it says 'The United States then has at its disposal a large and continous supply of Soviet technology and weapons to channel the Freedom Fighters worldwide mandating neither the consent [n]or awareness of the Department of State or Congress.' "Now, I take it in a sense this is another example of a covert operation capacity that you could take off the shelf that Director Casey made reference to. . . . "Mr. NORTH. I have just two observations, sir. This is not my document. . . . I have enough trouble accepting responsibility for the mail I sent. I do not recall that General Singlaub and I ever discussed this. I do not recall ever discussing this with Director Casey. And while this may well--in fact, I don't even know this was indeed found in my office, but I'm sure that there were many, many things that were found in my office that I did not originate, nor did I endorse just by virtue of the fact that people sent them to me. "Mr. SARBANES. Colonel, let me say the committee, just for the record, the committee did find this memorandum in your safe. "Mr. NORTH. I understand. I am not denying that. I am simply saying it is not a document that I originated, that I solicited, that I encouraged or that I believe I ever talked to the Director about.	

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		"Mr. SARBANES. Just for the record, let me just note that General Singlaub stated that he believed that it had been discussed with you, this particular memo. . . . " (North Testim., JHICI, 7/13/87, at 113-16; JHICI Ex. OLN 326 [3-way trade plan].)	
85/12/00-110 AROUND DECEMBER 1985	THE 3-WAY TRADE PROPOSAL SHULTZ ACCOUNT: See col. 2.	THE 3-WAY TRADE PROPOSAL SHULTZ ACCOUNT, Part 1: "Mr. SARBANES. Mr. Secretary, the final subject I want to ask you about are these efforts to establish a sort of on-the-shelf, ready-service covert operation. "North, Secord, Hakim had such an operation. Were you aware of it? "Secretary SHULTZ. No. "Mr. SARBANES. . . . This appeared once as an exhibit with General Singlaub [Ex. JKS 6] and again with Colonel North [Ex. OLN 326]. It is a memorandum found in Colonel North's safe, and it sets up a scheme which is perhaps best understood by this table on the second page, in which the United States would move high technology to Country B, Country B would move military equipment over to Country A, and Country A would then put weapons into this trading company, and the trading company would then allocate it out in various places around the world. "So it would be a self-contained scheme outside of any accountability, outside of having to come to the Congress, in fact, outside of even having it known within the Executive Branch and subject to the checks and procedures within the	

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		Executive Branch, and on the following page it says as the one example of results, 'The United States then has at its disposal a large and continuous supply of Soviet technology and weapons to channel to freedom fighters worldwide'--this is the third paragraph on the page following the table--'mandating neither the consent or awareness of the Department of State or Congress.' "I assume this is the first time you have seen this. "Secretary SHULTZ. Yes. And I hope you feel you are in good company being linked to the Department of State. "Mr. SARBANES. Well, I'm trying to say to you I do, as a matter of fact. "Secretary SHULTZ. Thank you. "Mr. SARBANES. I think that this proposal, which was never implemented--instead, of course, what they did was they took a different approach, which was the one that Secord and North and Hakim established whereby they would get the money from private parties, from contributions by third countries, and through the overage on the selling of arms, and then build up their reserve in what Secord called the enterprise, and then engage in covert activities anywhere, potentially anywhere and everywhere in the world, as they chose, without responsibility and accountability--is one of the most dangerous matters we have looked at in this entire hearing. "Secretary SHULTZ. Well, I can tell you that having talked to him about it, anything that the President--President Reagan wouldn't touch this	

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		with a ten-foot pole. It's totally unacceptable. And you know that and I know that." (Shultz Testim., JHICI, 7/23/87, at 189-91. See JHICI Exx. JKS 6, OLN 326 [3-way trade proposal].)	
85/12/00-111 AFTER DECEMBER 1985	THE 3-WAY TRADE PROPOSAL SHULTZ ACCOUNT: See col. 2.	THE 3-WAY TRADE PROPOSAL AND THE DIVERSION SHULTZ ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. SARBANES. Let me ask you to respond to this final question. "Admiral Poindexter, in talking about the use of the proceeds of the Iranian arms sales for the contras, also addressed using it for a series of other covert projects, and he was asked was that the first time you ever heard about that, and he said, it is the first time that I've heard it discussed in that depth; I don't at all doubt that Colonel North and Director Casey may have discussed that; frankly, it is an idea that has some attractive features in my mind. "Is it an idea that has any attractive features in your mind? "Secretary SHULTZ. None. "Mr. SARBANES. Would you explain why? "Secretary SHULTZ. Because it is totally outside of the system of government that we live by and must live by. "You cannot spend funds that the Congress doesn't either authorize you to obtain or appropriate. That is what the Constitution says, and we have to stick to it. "Now, I will join everybody in saying that sometimes it gets doggone frustrating with what	THE 3-WAY TRADE PROPOSAL AND THE DIVERSION SHULTZ ACCOUNT: See col. 2.

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		the Congress does or doesn't do, and I can be critical. However, that's the system that--we--have to accept it and then we have an argument about it and try to persuade you otherwise. "Just as I was saying about the funds for the Nicaraguan Freedom Fighters, when I was asked about third country solicitations back in 1984, I think that in the end if this is going to work, we have to persuade the Congress to support it. And when we persuade the Congress to support it, which is the present situation, the results are much stronger. "That's where our long-term bet has to be. We have this very difficult task of having a separation of powers that means we have to learn how to share power. Sharing power is harder, and we need to work at it harder than we do. "But that's the only way. And this is not sharing power, this is not in line with what was agreed to in Philadelphia. This is a piece of junk and it ought to be treated that way." (Shultz Testim., JHICI, 7/23/87, at 191-92. See JHICI Exx. JKS 6, OLN 326 [3-way trade proposal].)	
85/12/00-120 1985-86	THE 3-WAY TRADE PROPOSAL WEINBERGER ACCOUNT: See col. 2.	THE 3-WAY TRADE PROPOSAL WEINBERGER ACCOUNT, Part 1: "Mr. SARBANES. . . . But I want . . . to look at this cove[r]t, unaccountable network that was being put into place to carry on activities. And there is an exhibit . . . that was included at the time of General Singlaub's testimony and then also again with respect to Colonel North. "Now, this was a proposal and to the best of	

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		our knowledge, nothing was done to implement it. And as it states in the 'objective' right at the top of the page, 'to create a conduit for maintaining a continuous flow of Soviet weapons and technology to be utilized by the United States in its support of freedom fighters in Nicaragua, Afghanistan, Angola, Cambodia, Ethiopia,' et cetera. "And I think you get the best picture of it if you look at the chart on the second page, the three-way trade, in which the United States would send high technology to country B, which would then send military equipment to country A, which would then send the kind of military equipment to be used by freedom fighters to the trading company, which would then be in a position to disburse it around the world. "And on the following page, it states that as a result of this, in the third paragraph, the United States then has at its disposal large and continuous supply of Soviet technology and weapons to channel to freedom fighters worldwide, mandating neither the consent [n]or awareness of the Department of State or Congress. I take it that this is new to you. "Secretary WEINBERGER. I have never seen anything like this before, no, sir, and I hope I won't again. "Mr. SARBANES. I was just going to ask you what your reaction is. "Secretary WEINBERGER. This is absurd as far as I am concerned and I don't know of anybody who--the typing and everything about it looks	

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		totally unfamiliar. I don't know where it came from, but there [are] so many things wrong with it I don't think either you or I have time to go into them now. I have never seen it before, no." (Weinberger Testim., JHICI, 8/3/87, at 122-23; JHICI Ex. JKS 6 [3-way trade proposal].)	
85/12/00-121 1985-86	THE 3-WAY TRADE PROPOSAL WEINBERGER ACCOUNT: See col. 2.	THE 3-WAY TRADE PROPOSAL WEINBERGER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. SARBANES. Now, the plan that Colonel North, General Secord, Mr. Hakim put into place was in some respects not entirely different, at least in terms of what they were seeking to develop, which was a hidden, unaccountable network, that was outside of all established channels and legitimate authority, and if you consider this I find the prospects chilling. "In effect, they were setting up a system where they would create a treasury from contributions by private individuals[,] by solicitations to foreign countries and by the profits off of arms sales, the mark-up off of arms sales. That was what General Secord called the enterprise when he testified before us. "And then the enterprise would be able to engage in activities around the world. Now, they differentiated monies from the Iran arms sales to the contras although only a small portion of it, and it is very important to stress that, most of that money is in the enterprise still. "We are talking about $8 million. But the prospects for this enterprise were really	

extraordinary. When Mr. Hakim was here, we went over the Secord structure, and he had a chart there in which he had drawn in a box for Africa, and we asked him about that and he said, well, he said, one day General Secord says 'who knows, if we do a good job the President may send us to Angola,' and Mr. Hakim said, at the rate these people have been going in coming up with so many surprises, I would not be surprised if they indeed did that, and I didn't want to have the burden of running around doing too [m]any things at the same time, so I said let me go ahead and form another, not form a company, but have it ready. Indeed, it would happen I would plug in a company in there and go ahead with it, just further foresight on my part. And I said to him, so--while General Secord made it as a joke, you thought there was a possibility it might happen. Is that correct?

"Mr. Hakim said, 'Yes, sir.' And I then said to him, 'Later you said, in my mind, you know the way this crazy thing is going, they might do that.' He said, 'Yes, sir.'

"'So the enterprise had the potential, in your mind, to expand its activities?' And he said, 'Yes.'

"And then he was later asked, 'It could have gone elsewhere as well?' And he said, 'Yes.'

"So you had this covert, unaccountable network being established outside of all channels of authority or responsibility with the possibility of, in effect, implementing its own policy.

"Now, Admiral Poindexter, when he appeared before us, said he thought that this idea had some

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		attractive features to it. He didn't know about it in detail. But he says, 'It is an idea that has some attractive features, in my mind.' "And the question I would put to you, obviously: Is it an idea that has any attractive features in your mind? "Secretary WEINBERGER. No, none whatsoever, Senator. I thought that the common law and all of the rules under which civilization is governed grew out of the recognition that the warring private feudal groups could lead to nothing but war, and that the only way you could ever get a peaceful community under the rule of law is to have a government which was the source of and indeed the repository of the law. "So I think any of these things that attempt to run private operations of this nature become private governments, is totally wrong and I would be totally opposed to it. [Sic.]" (Weinberger Testim., JHICI, 8/3/87, at 123-26 [quoting Hakim Testim., JHICI, 6/5/87, at 114-15]; JHICI Ex. JKS 6 [3-way trade proposal].)	
85/12/01-000 FIRST WEEK OF DECEMBER 1985			PARIS MEETING: THE FIRST CHANNEL SECORD ACCOUNT: Secord meets in Paris with Yaacov Nimrodi and Manucher Ghorbanifar. They discuss the foul-up of the November I-HAWK shipment from Israel to Iran. Ghorbanifar turns the conversation to proposing arms for hostages. (Secord Testimony, JHICI, 5/6/87, at 8-11.)

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85/12/01-150 DECEMBER 1, 1985			FUTURE ARMS TRANSACTIONS: GHORBANIFAR'S PROPOSALS NORTH NOTEBOOK ENTRY: After Secord meets with Ghorbanifar in Paris in late November, he relates Ghorbanifar's latest proposals to North, who records them in his notebooks. The first proposal provides for a phased exchange of 3200 TOW missiles for hostages: "600 TOWs = 1 release "H + 6 hrs later = 2000 TOWs = 3 release "H + 23 hrs = 600 TOWs = 1 release[.]" The other options are variations in which other armaments--such as Maverick air-to-surface missiles, Dragon surface-to-surface missiles, Improved-HAWK missiles, spares for F-4 airplanes, ground artillery, and bombs--would be substituted for some or all of the TOWs. Ghorbanifar's proposal also contemplates arms deliveries beyond the initial swap. (Iran-Contra Report, at 193; North notebook entry, 12/1/85 [Committee Document Q 1361].)
85/12/03-100 DECEMBER 3, 1985			THE 11/85 HAWK TRANSACTION: CIA CONTINUED INVOLVEMENT Clarridge cable to the CIA officers at two locations still connected with the HAWK delivery: "We are still regrouping. Key meeting of principals will take place this weekend with earliest possible aircraft deployments sometime mid to late week of 8 December." (JHICI Ex. C-25.)
85/12/03-101			THE 11/85 HAWK TRANSACTION: CIA CONTINUED

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DECEMBER 3, 1985			INVOLVEMENT CLARRIDGE ACCOUNT: "Mr. Eggleston. . . . [T]he last cable I want to ask you about is DRC-1-80, dated December 3, 1985, from you to [redacted] and [redacted] again. 'We're still regrouping, key meeting of principals will take place this weekend with earliest possible aircraft deployment sometime mid to late week of 8 December.' "What did you know about what was going on with the mission at this time? "Mr. Clarridge. Well, I don't know, but I think it was when I talked with you at the deposition, you told me there was a high-level meeting, an NSPG meeting or something on 5 December. I may have known that but I can't recall knowing it. "Mr. Eggleston. Do you have a recollection today of what you knew about this operation on December 3rd? "Mr. Clarridge. Well, you know, what I knew on December 3rd -- you know, presumably I knew that it was a hostage deal, that the deal had been more than that, at least the conception more of a strategic initiative to Iran. This had already come up in conversations. "Presumably I knew by this time that there were weapons onboard, or at least surmised it from material that had been given me or maybe that was what I was told. And that there was an effort to continue the initiative to get the hostages out and this might require four more sorties of aircraft.

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			"Mr. Eggleston. Containing weapons? "Mr. Clarridge. Well, yes, maybe I knew that, maybe I didn't. "Mr. Eggleston. Mr. Clarridge, I'm getting a little confused about just what you knew at various points. I thought you had indicated that you didn't have any recollection of Mr. Allen showing you [redacted] shortly after the flight took place and that you didn't learn officially that there were weapons onboard until January, '86. "Are you now testifying that you think that you did know by December 3, 1985, that there were weapons onboard the flights? "Mr. Clarridge. What I'm saying is that I'm told by Charlie Allen that he showed me material that would have indicated to me that there were weapons onboard and it may well be that I discussed that with Colonel North and Colonel North [sic] or Colonel North discussed it with me. "What I have said before and I'll say again, the only thing I can recollect knowing is when I was officially told sometime in connection with the January 17 finding that weapons had been onboard and that weapons were involved in this whole transaction. "I'm not saying that I didn't know before January, but that is when I can specifically remember it. "Mr. Eggleston. You have indicated that you had a conversation with Mr. Allen about [redacted] that he showed you subsequent to this flight and you have testified that it is your recollection

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			that it is his testimony or his conversation with you that he told you shortly after the flight that there were weapons onboard on the basis of his analysis [redacted.] "Mr. Clarridge. No, he says that he's sure that he showed me material that would have indicated to me -- I had read it. He says I read it -- that there were weapons onboard the flight. "Mr. Eggleston. So he says that he showed it to you. He says you read it and he says if you read it, you would have concluded there were weapons onboard? "Mr. Clarridge. That is right. "Mr. Eggleston. And you don't remember? "Mr. Clarridge. I don't remember specifically. "Mr. Eggleston. Have you had a conversation with Mr. Allen [redacted] that he showed you on the morning of November 22nd before the flight, did you have a similar conversation with him [redacted]? "Mr. Clarridge. Not that I recall. "Mr. Eggleston. So he has not told you that he showed you [redacted] before the flight which you read from which you could conclude that weapons were involved in this hostage deal? "Mr. Clarridge. He has not." (Clarridge Testim., JHICI, 8/4/87, at 49-53.)
85/12/03-200 FALL - DECEMBER 3, 1985			PRELUDE TO THE 12/7/85 WHITE HOUSE MEETING: REPORTS OF U.S.-IRAN NEGOTIATIONS TRICKLE TO WEINBERGER WEINBERGER ACCOUNT:

"Mr. EGGLESTON. . . . Did you during [the fall of 1985] receive an intelligence report that related to negotiations between American officials and Iranians?

"Secretary WEINBERGER. Yes. I received an intelligence report which gave rather muddled and puzzling, ambiguous references to negotiations going on between high U.S. officials, as I think it was phrased, and Iranian representatives.

"It also seemed to involve some discussions of potential arms sales or arms sales that were about to be made, things of that kind.

"Mr. EGGLESTON. Do you recall whether it made any reference to the hostages?

"Secretary WEINBERGER. No, I don't believe that they were mentioned. They could have been. This was a series of intelligence reports and they were garbled and sometimes tried to use other language to refer to hostages or to refer to weapons, things of that kind.

"I think there could well have been references to hostages but the whole gist of it was that American officials were negotiating and discussing matters involving arms with the Iranian representatives.

"Mr. EGGLESTON. As the Secretary of Defense, were you surprised to receive an intelligence report that seemed to indicate that American officials were negotiating about weapons with Iranians?

"Secretary WEINBERGER. Indeed I was, yes.

"Mr. EGGLESTON. When you first got the report, did you take any steps to follow up and

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			see where the report had come from and why you didn't know more about it? "Secretary WEINBERGER. Yes. "Mr. EGGLESTON. What did you do? "Secretary WEINBERGER. I talked with the agency that furnished those reports, did that through General Powell, who was my military assistant at the time, and the first report came back to the effect that this was a mistake, that we weren't on the distribution list and we weren't supposed to have this report. "Mr. EGGLESTON. Was this an agency that was within the Department of Defense? "Secretary WEINBERGER. It was indeed, yes. "Mr. EGGLESTON. And this agency reported back to the Secretary of Defense that the Secretary was not supposed to have received-- "Secretary WEINBERGER. That was the first report we received, yes. "Mr. EGGLESTON. Did you give any advice back to that agency? "Secretary WEINBERGER. Yes, I did. I asked General Powell to remind the agency for whom they were working. "Mr. EGGLESTON. As a result of receiving this report and as a result of your advice back to the agency, did you begin to receive other reports? "Secretary WEINBERGER. Yes. Then I got a lot more reports and found the story increasingly disturbing. "Mr. EGGLESTON. Did there come a time when you asked one of your assistants to follow up and determine whether or not--

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			"Secretary WEINBERGER. Yes. I asked Mr. Armitage to try to identify some of the people who were referred to rather obliquely in some of these intelligence reports, find out who they were, and he was able to do that. "Mr. EGGLESTON. Mr. Armitage has testified in a deposition before this committee that he did follow your instructions and that at some point he called Lieutenant Colonel North, arranged a lunch with Lieutenant Colonel North on December 3rd of '85, and during the course of that lunch, Colonel North told him that indeed he was the American official who was negotiating with the Iranians. "I take it that Mr. Armitage reported that back to you? "Secretary WEINBERGER. He did, yes. "Mr. EGGLESTON. And as a result of that report, did you seek to have a meeting scheduled with the other principals? "Secretary WEINBERGER. I did. I asked for a Security Council meeting meeting [sic] or Security Council Planning Group or meeting with somebody who could tell me what was happening and why it was happening." (Weinberger Testim., JHICI, 7/31/87, at 92-96.)
85/12/03-201 EARLY DECEMBER 1985			PRELUDE TO THE 12/7/85 NSC MEETING: REPORTS OF U.S.-IRAN NEGOTIATIONS TRICKLE TO WEINBERGER WEINBERGER ACCOUNT: "Mr. MCCLURE. . . . As I recall your testimony, both you and Secretary Shultz had been taken off the distribution list [see

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"Secretary WEINBERGER. Well, I don't know what the extent of the so-called initial permitted distribution was, but the information that was given to us when we first inquired about it was that I was not supposed to be on the distribution list, that it was a mistake.

"Mr. MCCLURE. Don't you think it was a mistake that you were taken off?

"Secretary WEINBERGER. Yes. That is the point I made with increasing clarity as the time went on.

"Mr. MCCLURE. And I . . . don't want to go into it too far, but I think it is almost incomprehensible that that could happen.

"Secretary WEINBERGER. It did not happen for very long, but there was an attempt to have it happen, yes.

"Mr. MCCLURE. Did you inquire as to how it happened?

"Secretary WEINBERGER. I was told it happened and I made very strong objections to it.

"Mr. MCCLURE. You were told by someone that they had received instructions to take you off the distribution list?

"Secretary WEINBERGER. Well, not to distribute those messages to me, that is right.

"Mr. MCCLURE. And who issued that instruction?

"Secretary WEINBERGER. It was supposed to have come from the White House.

"Mr. MCCLURE. And who in the White House?

"Secretary WEINBERGER. I assume from the

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			National Security Council, but I have made it very clear to the defense agency involved that they took instructions from us and they were under no circumstances whatever to accept an instruction that we were not to be on the distribution list for any of this for intelligence material. "Mr. MCCLURE. Mr. Secretary, some people have said you are a tough administrator. My own reaction is had that happened with somebody under my line of authority and they had done that to me, they would have been looking for their head. "Secretary WEINBERGER. There are some very good people running that agency and we wanted to take advantage of their continued expertise and I am confident that it will not happen again. "Mr. MCCLURE. I think there are other competent people. You know, I can understand why you might like to keep competent people around, but I find it absolutely appalling that somebody from the National Security Council can issue an instruction to somebody in [t]he Department of Defense that says you are not to see the product of their work. "Secretary WEINBERGER. I made that same point to them and I am confident it will never happen again. "Senator, you know that there is a certain mystique that goes with somebody receiving a call from the White House that says to do such and such and there is a tendency to accept that, but I am confident that it will never happen again. "Mr. MCCLURE. I am confident it won't either, but I am amazed that it could happen once.

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			"Secretary WEINBERGER. I was extremely disappointed." (Weinberger Testim., JHICI, 7/31/87, at 224-26.)
85/12/03-220 EARLY DECEMBER 1985			IRAN ARMS TRANSACTIONS: DoD ASSESSMENT RUDD PAPER: At the DoD, Richard Armitage (Assistant Secretary of Defense) directs Glenn A. Rudd (Deputy Director of Defense Security Assistance Agency) to prepare a paper on the legal methods for transferring TOW and HAWK missiles to Iran. Rudd concludes in his paper, "Possibility for Leaks," that there is no way to transfer the weapons, whether directly to Iran or through Israel to Iran, under the Arms Export Control Act without notifying Congress; nor is there any way to prevent the security assistance community of bureaucrats, diplomats, and arms manufacturers and dealers from learning of the transfers. When Armitage receives Rudd's paper, he instructs Rudd to treat the matter as very confidential and to destroy all drafts. Armitage keeps the sole copy in his personal office safe. (Iran-Contra Report, at 194 [citing JHICI Ex. DoD 9 ("Prospects for Immediate Shipment of I-HAWK and I-TOW Missiles" and "Possibility for Leaks"); Gaffney-Rudd Dep., 6/22/87, at 19)].)
85/12/04-000 DECEMBER 4, 1985	McFARLANE'S RESIGNATION McFARLANE ACCOUNT: President Reagan announces McFarlane's resignation as National Security Adviser. "Mr. FASCELL. Now, why did you resign?		THE 11/85 HAWK TRANSACTION: WHO KNEW NORTH ACCOUNT: North PROF to Poindexter refers to the foul-up of the transfer of 80 HAWK missiles and the substituted plan of arms for hostages in 5

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	"Mr. MCFARLANE. Well, the three reasons that I've given usually are that it seemed to me-- "Mr. FASCELL. Well, let's give the unusual reason, Mr. McFarlane. This is the time to tell them. "Mr. MCFARLANE. The organization of the Administration for the conduct of foreign policy, as I believe in, was intrinsically unworkable. It seems to me that though I believe a process called Cabinet Government can be a good one, as it is practiced in this Administration it is undermined." (McFarlane Testim., JHICI, 5/13/87, at 128-29.)		installments, and states, "Thus, the only parties fully aware of all dimensions of what we are about are you and RCM." (JHICI Ex. 45. But see McFarlane Testim., JHICI, 5/12/87, at 60-61 [". . . I have not read this message. . . .I don't believe that I had then or have now a grasp of all the nitty-gritty of that mission."].)
85/12/04-001 DECEMBER 4, 1985	WHY McFARLANE RESIGNED REGAN ACCOUNT: "Mr. HEFLIN. Admiral Poindexter comes on as a new National Security Advisor. At that particular time, the press reports generally accepted by the public that the reason that Mr. McFarlane resigned was conflicts between you and Mr. McFarlane, particularly indicating that you wanted to have more control over national security matters. [Sic.] "Would you care to comment as to whether those reports, as I have attempted to summarize it, you think are true or false? "Mr. REGAN. I think they're generally false. I have never personally discussed this with Bud McFarlane. I had good relationships with him, I don't say we[']re close friends or that we socialized together too much, but we have a good professional relationship. From this point of		

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	view, he actually resigned on Thanksgiving, or around Thanksgiving, long before December 4. He told the President he was going to resign. He went to see the President at the ranch on the Friday after Thanksgiving, I believe it was. I was back here in the East, I had no idea he was resigning []or indeed that he had resigned. "And as a result, it wasn't until the President told me after I saw him when he got back that he had McFarlane's resignation. And he said that McFarlane had told him he resigned because he was tired, he had been through a lot and thought it was time to move on." (Regan Testim., JHICI, 7/30/87, at 99-100.)		
85/12/04-002 DECEMBER 4, 1985			THE 11/85 HAWK TRANSACTION: -McFARLANE'S AWARENESS McFARLANE ACCOUNT: "Mr. NIELDS. I would like you to turn briefly to Exhibit 45. It is a long PROF message from North to Poindexter dated December 4, 1985, and I won't burden you or the committee at this time with reading the whole thing or even substantial portions of it. "Suffice it to say that in the second paragraph, it makes reference to the attempted transfer of 80 Hawk missiles which went awry; it discusses a substituted complicated plan of arms for hostages in five installments; and then at the end of the PROF message on the last page, it states, 'Thus, the only parties fully aware of all dimensions of what we are about are you and RCM.'

"RCM is you, is it not?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And I take it you were fully aware as of that time--December 4, 1985--fully aware of the Hawk transaction that had gone awry and of the proposals for the future?

"Mr. MCFARLANE. Well, I don't believe I was. I would have thought that if I was it would have been by the PROFs note, which was a traveling system that I had with me, but without either getting that or being copied on messages like this one it is unlikely that I was.

"Mr. NIELDS. But you were aware of the shipment of the 18 Hawks. I think you have already testified to the fact that that went awry and of various aspects relating to it, including your call to the foreign minister of a third country and Mr. Rabin's concern about replenishment.

"Mr. MCFARLANE. Yes, I have said that, and my point is only to say that I have not read this message.

"If you are saying that I was conscience [sic (conscious)] of everything in it, I will be glad to take time to read it. I don't believe that I had then or have not a grasp of all the nitty-gritty of that mission.

"Mr. NIELDS. And Mr. North and Mr. Poindexter, as you have also already indicated, were aware of that Hawk transaction which had gone awry.

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			"And my question to you--and I don't want to belabor the point--but my question to you, once again, is why was it--how did it come about that all three of you a year later were, either through chronologies or interviews with the Attorney General, [were] stating that in November of 1985 it was your understanding that the Israelis were shipping oil drilling equipment? "Mr. MCFARLANE. Well, I think, Mr. Nields, that I should say first of all that I accept responsibility for what happened, regardless of whether I knew about it or not. It was my job to have known, and I should have known whether I did or not. "I believe that, because in the time from September to November of 1985 I was almost completely absorbed with preparations for the Geneva summit. "In September we had the visit to Washington of the Soviet foreign minister, preparations for those include not only defining the agenda, but the President's absorption, digestion, and readiness to negotiate a number of items. "It also involved the promotion in this country to Americans each of the four agenda items that the President was going to Geneva to meet on. That required four major speeches, all of whom [sic] were done by the NSC. "In October it required that we not only go to the United Nations for a major delivery of a speech there and meet with a number of heads of State, but as well, that I go to Moscow for a pre-trip, pre-summit planning trip with Secretary

of State Shultz.

"Throw in Achille Lauro to occupy your free time, and you can see that I was not spending a lot of time on anything else. That is quite true. I am sure it is probably negligent, but it just isn't one of those things that I chose to send [sic (spend)] a lot of time on.

"I did go to Geneva and from that time until I left the government I was only in Washington from December 4 forward.

"Now, I do not mean by that to say that I am not responsible, because I am, but I am also stating a simple fact, and that is that I doubt that I had then or have now a complete and thorough detailed knowledge of what happened on that shipment in which I was uninvolved except as a terminal player with the third country foreign minister."

(McFarlane Testim., JHICI, 5/12/87, at 60-63; JHICI Ex. 45 [North PROF to Poindexter, "Private Blank Check," 12/4/85].)

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IRANIAN ARMS TRANSACTIONS: FURTHER ARRANGEMENTS NORTH ACCOUNT, Part 1:

North PROF to Poindexter, dated December 4, 1985, titled "Current Status of Operation Recovery":

"Following summary is based on discussions in Geneva among Kimche, Copp, Gorbanifahr [sic] and [redacted] which were concluded this weekend, subsequent discussions with Mendy Meron here in Washington which are continuing, and calls btwn Copp and Kimche's asset (Nimrodi) who is 'baby-sitting' the Iranians in Paris (where they are receiving guidance from Tehran).

"The attempted transfer [redacted] of 18 Hawk missiles went awry because the Iranians were in fact seeking a weapons system that would be capable of stopping Soviet reconnaissance flights along the Iranian/Soviet border and on the Iranian/Iraqi border. . . . Because Schwimmer and Ledeen were unfamiliar with the operational parameters of the HAWK, they agreed to ship 120 weapons that were totally inadequate to meet the rqmts established by the Iranians. This delivery has created an atmosphere of extraordinary distrust on the part of the Iranians . . . .

". . . .

". . . In short, [the Iranians] have been 'scammed' so many times in the past that the attitude of distrust is very high on their part. At the same time, in all discussions . . . they are desperate to conclude some kind of arrangement in the next 10 days and have even asked that the meeting scheduled for Saturday in London be advanced. . . .

". . . While Kimche, Meron, Copp and I all agree that there is a high degree of risk in pursuing the course we have started, we are now so far down the road that stopping what has been started could have even more serious repercussions. We all view the next steps as 'confidence building' on the part of both sides. None of us have [sic] any illusions about the cast of characters we are dealing with on the other side. They are a primitive, unsophisticated group

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			who are extraordinarily distrustful of the West in general and the Israelis/U.S. in particular. . . ." (JHICI Ex. JMP 21 [= Ex. 45].)
85/12/04-004 DECEMBER 4, 1985			IRANIAN ARMS TRANSACTIONS: FURTHER ARRANGEMENTS NORTH ACCOUNT, Part 2: North PROF to Poindexter, titled "Current Status of Operation Recovery," continued: "With all of the above as a lengthy preamble describing two nearly frantic weeks w/ the Israelis & Iranians, the following proposal has evolved which the Iranians today said they wd like to discuss in detail on Saturday: "-- the total 'package' from the Israelis wd consist of 50 I HAWKs w/ PIP (product improvement package) and 3300 basic TOWs. "-- Deliveries wd commence on or about 12 December as follows: "H-hr: 1 707 w/300 TOWs = 1 AMCIT "H+10hrs: 1 707 (same A/C) w/300 TOWs = 1 AMCIT "H+16hrs: 1 747 w/50 HAWKs & 400 TOWs = 2 AMCITs "H+20hrs: 1 707 w/300 TOWs = 1 AMCIT "H+24hrs: 1 747 w/2000 TOWs = French hostage "All involved on our side recognize that this does not meet one of the basic criteria established at the opening of this venture: a single transaction which wd be preceded by a release of the hostages. However, given the points above regarding the mutual distrust in the dialogue, we all believe it is about the only way

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			we can get the overall process moving. . . . ". . . . "I have given careful consideration to what you suggested re an RCM meeting with the Iranians in an effort to obtain release of the hostages before starting on an effort to undo the present regieme [sic] in Tehran. Like you and Bud, I find the idea of bartering over the lives of these poor men repugnant. Nonetheless, I believe that we are, at this point, barring unforseen developments in London or Tel Aviv, too far along with the Iranians to risk turning back now. If we do not at least make one more try at this point, we stand a good chance of condemning some or all to death and a renewed wave of Islamic Jihad terrorism. While the risks of proceeding are significant, the risks of not trying one last time are even greater." (JHICI Ex. JMP 21 [= Ex. 45].)
85/12/04-005 DECEMBER 4, 1985			THE 11/85 HAWK TRANSACTION: CIA AWARENESS CLARRIDGE ACCOUNT, Part 1: "Mr. Eggleston. I will direct you to particular sections of [Ex. DRC 9.] You are mentioned specifically on the last page, the second-to-last paragraph. "Mr. Clarridge. Yes, I recall this. This is the famous statement, 'Dewey and I have been through the whole concept twice' -- "Mr. Eggleston. This is a PROF note which the committee members have now seen repeatedly, dated December 4, 1985, a note from North to Poindexter. I am not suggesting that you saw this note at or

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			about the time that it took place, but it is a note that in some detail outlines what had taken place in the weekend of November, '85, extensive and explicit discussions about weapons. "On the second-to-last page, near the top, there is a time table for delivery of weapons and exchange for hostages and on the last page, about the middle, it says 'Dewey is the only other person fully witnessing of this entire plan. Copp, even General Secord is not briefed [redacted] although he suspects. The Israelis are in the same position. Dewey and I have been through the whole concept twice, looking for holes, and can find little that can be done to improve it, given the trust factor with the Iranians.' "Mr. Clarridge. Then it goes on to say some other things. "Mr. Eggleston. Do you want me to keep reading? "Mr. Clarridge. 'I have not confided in Dewey the longer term goals', et cetera. "Mr. Eggleston. Do you recall the conversation with Colonel North? "Mr. Clarridge. I do not. "Mr. Eggleston. I take it, it is your testimony that if you had such a conversation, which would have been in such detail outlining the initiative and the proposed plans, you certainly would not have forgotten it? "Mr. Clarridge. Was the date on this thing? "Mr. Eggleston. December 4th. "Mr. Clarridge. Let me make a couple of

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			points here. Number one is this initiative was not being run by European Division, and subsequently after the 17 January finding was run by the Near East Division. I would not have been the appropriate person for North to have discussed this with in the first place. "The second point I would like to make is that on occasion North had a tendency to use my name with McFarlane and Poindexter because if I said it was a good idea, then they tended to think it was a good idea. "Mr. Eggleston. So after you stopped sending these cables back and forth in December of 1985, you were not involved again, I take it, according to your testimony, until September or so of 1986? "Mr. Clarridge. In actually doing something. I was familiar with what was going on because Charlie Allen sat two offices from me, and George Cave, who didn't have a desk, often sat at his desk and would come in and talk to me on occasion about what was going on, but I was not officially involved, no. "Mr. Eggleston. Did you continue to have conversations with Colonel North about the operation? "Mr. Clarridge. I am sure I did, but I can't recall them. "Mr. Eggleston. Did you consult and plan with him? "Mr. Clarridge. No, I did not." (Clarridge Testim., JHICI, 8/4/87, at 53-56.)
85/12/04-006			THE 11/85 HAWK TRANSACTION: CIA AWARENESS

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DECEMBER 4, 1985			CLARRIDGE ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. Eggleston. Did you know Admiral Poindexter? "Mr. Clarridge. Yes, I did. "Mr. Eggleston. Did you speak to him on occasion on the phone? "Mr. Clarridge. No, I can't recall that. "Mr. Eggleston. Did you attend meetings on occasion with him? "Mr. Clarridge. In the past, yes. "Mr. Eggleston. Similarly, Mr. McFarlane is someone you had some familiarity and dealings with? "Mr. Clarridge. Correct. "Mr. Eggleston. If Colonel North in this PROF note to Mr. Poindexter has indicated not just tangentially the fact that he has in detail reviewed this particular operation with you, wasn't there some danger that if this is not a truthful statement by Mr. North, he could get caught the next time you met with Admiral Poindexter? "Mr. Clarridge. That is quite possible. "Mr. Eggleston. But it is your testimony that this note in the PROF note is incorrect? "Mr. Clarridge. It is incorrect. If all he was saying, but sort of embellishing it a bit, was that he had been through it on the methodology of getting flights from Tel Aviv through [redacted] to Tehran with me; that was discussed. "Mr. Eggleston. But that is not how you read the line?

"Mr. Clarridge. No, it seems to be implying that this whole grand scheme was checked out with me, which was not true."
(Clarridge Testim., JHICI, 8/4/87, at 56-57.)

85/12/04-007
DECEMBER 4-5,
1985

IRAN ARMS TRANSACTION: FURTHER ARRANGEMENTS,
AND PRESIDENT'S BRIEFING

POINDEXTER DEPOSITION ACCOUNT, Part 1:

"Q. Now I will show you as an exhibit a memo of December 4, 1985, and I'd like you to look at that.

". . . .

"Do you remember this message?

"A. I have a vague recollection of parts of it. I don't remember all of it, but I'm sure I saw it.

"Q. You knew by the time you received this message who Copp was?

"A. Yes.

"Q. And if you look at the message you do remember being told that the shipment of the 18 HAWK missiles went awry because the Iranians were seeking a weapons system that could stop the Soviet reconnaissance flights?

"A. I have a very strong memory of that point.

"Q. And do you recall that North communicated to you a new proposal which consisted of the 50 I-HAWKs and the 3,300 TOWs with sequential release of the hostages?

"A. Yes.

"Q. And do you recall that the President was briefed on this plan initially on . . .

". . . .

"Q. . . . December 5, 1985.

"A. I don't have a vivid memory of that. It is possible. What's the date on this?

"Q. I'm basing this, I will tell you, frankly on the President's own transcriptions of notes which he made available to us.

"A. His diary?

"Q. Yes, sir. You have for that date Iran Finding in your diary, your notes, and we've gone over that.

"A. It was at about that time frame -- see, my recollection of this is a little different from Mr. McFarlane's in that I think that I discussed with the President having the 7 December meeting, and very likely if he recalls that I briefed him on this on the 5th, that's probably the day we set up the meeting for the 7th.

"Q. He describes it as McFarlane describing the plan. I will tell you that.

"A. That's strange.

"Q. But it may be a mistake on his part.

"A. See, Bud's resignation was announced on the 4th, and I didn't think that Bud went to any more 9:30s after the 4th, but I may be wrong.

"Q. Well, he may be so used to seeing one National Security Advisor --

"A. You see one, you've seen them all.

"Q. I don't think Kissinger would accept that.

"(Laughter.)

"But, in any event, it was to discuss this plan that you had the meeting on December 7 at the

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			White House; am I correct? "A. That's correct. The main purpose of that meeting was to decide, for the President to decide whether Mr. McFarlane should go to London and meet with the Iranian officials or Iranian contacts that the Israelis had." (Poindexter, Senate Dep., 6/17/87, at 351-54; Poindexter Dep. Ex. 35 [= JHICI Exx. 45, JMP 21; North memo to Poindexter, "Current Status of Operation Recovery," 12/4/85].)
85/12/04-008 DECEMBER 4, 1985			IRAN ARMS TRANSACTIONS: FURTHER ARRANGEMENTS POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. If you look at that PROF note that we've just been examining [Poindexter Dep. Ex. 35] North was recommending that you proceed with the next step; am I correct? "A. He was recommending that. "Q. And he also said in this note that if we do not at least make one more try at this point we stand a good chance of condemning some or all to death, and he had other references to the fact that he had gone so far up to then that to call it off could lead to reprisals against the hostages. I'll read one of them. "'We believe that if we stop the current effort at this point and we do not at least proceed with a test of the current relationship that we incur the greater likelihood of reprisals against us for leading them on. These reprisals could take the form of additional hostage seizures, execution of some or all of those now

held.'

"Do you recall that?

"A. I don't recall that in this specific memo but I recall that that was generally Colonel North's view of one of the dangers that we faced.

"Q. Now did it occur to you at that point that what you were being told was that if we did not sell arms we were going to be in a position of causing the loss of the lives of the hostages? That's what you were being told, right?

"A. Yes, sir.

"Q. And in some sense that threat is one that has to create a dilemma for a policymaker, doesn't it?

"MR. BECKLER: Do you understand?

"BY MR. LIMAN: (Resuming)

"Q. The dilemma being that once you start on this kind of venture if you ever turn it off you are going to condemn to death the very people you are trying to save.

"A. That's correct. But that doesn't mean you can't turn it off.

"Q. Was there any discussion or consideration about the fact that we had become hostage to the very process at this point?

"A. Well, my thinking was a little bit different than that. My main objective here was to get a strategic opening into Iran. The hostages were important to me just as a human being and they were also important to me because they were important to the President.

"Q. They were important to your boss, the Commander-in-Chief.

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			"A. Exactly. But I generally was always willing to take a little harder line and we -- there was a risk to the hostages every day that they were held hostage from lots of reasons. I know this was Colonel North's view, that if we stopped it -- I don't think I had that strong a feeling that that would increase the danger that much more. It was his view that it was." (Poindexter, Senate Dep., 6/17/87, at 354-56; Poindexter Dep. Ex. 35 [= JHICI Exx. 45, JMP 21; North memo to Poindexter, "Current Status of Operation Recovery," 12/4/85].)
85/12/04-010 DECEMBER 4, 1985 AND JANUARY 5, 1986	McFARLANE'S RESIGNATION AND POINDEXTER'S APPOINTMENT AS NSA POINDEXTER ACCOUNT: McFarlane resigns as National Security Adviser (NSA) and is replaced by Poindexter. Poindexter clarified, "[McFarlane] actually remained as the National Security Adviser until the fifth of January, although after his trip to London he pretty much let me handle everything." (Poindexter Testim., JHICI, 7/15/87, at 30.)		
85/12/04-015 DECEMBER 4, 1985 - NOVEMBER 25, 1986	THE NATIONAL SECURITY ADVISER POINDEXTER ACCOUNT: "Mr. LIMAN. Would you describe for us what the duties are of the National Security Adviser in the Administration that you served? "Mr. POINDEXTER. The role of the National Security Adviser is very much dependent on the President. "As you probably know, the National Security		

Adviser is not a statutory position. It is on the personal staff of the President, White House staff, technically not on the National Security Council staff.

"This President, as all of you understand, is a very strong President who believes very much in Cabinet Government, and assigns to his Cabinet Officers great authority.

"The nature of the National Security Adviser is this Administration changed a little bit over the years.

"Initially, in 1981, at the beginning of the Administration, the National Security Adviser reported to the President through the Counselor to the President, who was Ed Meese at the time.

"After the first year, it was decided that that arrangement for a lot of different reasons didn't work out very well, and so when Bill Clark came in in January of 1982, the arrangements were changed so that the National Security Adviser, as in previous Administrations, reported directly to the President, and although not a Cabinet Officer, was considered a Cabinet-level official.

"This arrangement continued under Mr. McFarlane. It continued under me. I had direct access to the President.

"The Chief of Staff, Don Regan and I worked together, I think very constructively. The Chief of Staff's function involves a lot of logistics and domestic issues that have a direct correlation on the national security policy, and so we worked very closely together.

"The Chief of Staff normally attended my

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	national security briefings at 9:30 every morning. "That hasn't directly answered your question, so let me do that now, but I thought that that background was important. "The role of the National Security Adviser is to bring before the President the policy options. "The President makes policy. The National Security Adviser is responsible for making sure that those policies get implemented. He is responsible for making sure that all of the various policy options are laid out for the President, their pros and cons. "If the Departments and the--over which--the Departments that the Cabinet Officers preside over, if they don't come up with all of the possible options, then it is the National Security Adviser's responsibility to supplement those options to make sure that every conceivable aspect of the problem is addressed." (Poindexter Testim., JHICI, 7/15/87, at 30-32.)		
85/12/04-020 DECEMBER 4, 1985 - NOVEMBER 25, 1986	BRIEFING THE PRESIDENT POINDEXTER ACCOUNT: "Mr. LIMAN. . . . Was it the practice of the National Security Adviser during your tenure to brief the President every morning? "Mr. POINDEXTER. Yes. "Mr. LIMAN. That was what is known as the 9:30 briefings? "Mr. POINDEXTER. Almost every working day during nearly the year that I was National Security Adviser, I met with the President from 9:30 to about 10:00.		

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	"Mr. LIMAN. And did the matter of which subjects to brief the President on involve an issue of judgment for the National Security Adviser? "Mr. POINDEXTER. Yes. "It is clearly a judgment call. It is often a difficult situation, because of the breadth of responsibility of the President, you can't spend too much time on any one particular subject, but generally the policy issues were briefed to the President, implementation, details of how the Government was carrying out the implementation of his policy there was usually little time for. "Mr. LIMAN. Did you brief the President on the issues and subjects that he had keen interest in? "Mr. POINDEXTER. Yes, I did. ". . . . "Mr. LIMAN. And apart from the morning briefing, your understanding with the President was that there was no restriction on your access to him if it was required? "Mr. POINDEXTER. That is correct. I could either go to his office or call him on the telephone. "Mr. LIMAN. And just to dispel some myth, you did not have to have the Chief of Staff with you when you sought the President; is that correct? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. The President made himself accessible to you as it was required? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. On the other hand, I take it you		

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	were sensitive of the other time demands on the President? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. Now, you also would present to the President[,] as part of the morning briefing or as required[,] various papers that would require [h]is attention, is that so? "Mr. POINDEXTER. Yes. "Our standard routine was to give him a folder every morning at the 9:30 briefing that had various intelligence reports and policy issues in it. "Mr. LIMAN. Is it fair to say that the President of the United States is a reader? "Mr. POINDEXTER. Yes, he reads everything you give him. "Mr. LIMAN. And therefore deciding what to put before him also involved a matter of judgment in terms of his time and priorities? "Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/15/87, at 32-35. See Poindexter, Senate Dep., 5/2/87, at 71 [By 2/86, Poindexter testified, "I had at that point worked with the President for about five-and-a-half years, and for three of those five-and-a-half years, very directly, meeting with him many times a day, often spending hours every day with him. So I not only clearly understood his policy, but I also thought I understood the way he thought about issues."]. See also Poindexter, Senate Dep., 6/17/87, at 306 [Poindexter: "The President would read everything that we provided him. In fact, we had to be		

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	careful. I felt that we had to be careful not to overburden him with large documents because he would try to read the whole thing."].)		
85/12/04-021 UNTIL NOVEMBER 25, 1986	PRESIDENTIAL BRIEFINGS AND POINDEXTER'S NOTES POINDEXTER ACCOUNT: Poindexter testifying on the notes he took at meetings with the President: "Mr. LIMAN. Admiral, did you take notes? "Mr. POINDEXTER. I did, but as you have seen, they are not as extensive as people thought. "Mr. LIMAN. For what purpose did you take notes? "Mr. POINDEXTER. Primarily as reminders to me to do things, they were essentially check lists. "Mr. LIMAN. When you became the National Security Adviser, did you take notes? "Mr. POINDEXTER. Not nearly as often because I find that I have difficulty in leading a discussion and usually in meetings that involve national security issues the President's practice was to have the National Security Adviser lead the discussion and concentrating on the flow of conversation and taking notes is not one of my abilities. ". . . . "Mr. LIMAN. . . . Did you destroy any of your notes in November 1986? "Mr. POINDEXTER. I did not destroy any of my personal handwritten notes. "Mr. LIMAN. And you left behind notes that you had taken during your tenure; is that correct? "Mr. POINDEXTER. That is correct."		

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	(Poindexter Testim., JHICI, 7/15/87, at 35-37. See Poindexter, Senate Dep., 5/2/87, at 8-13 [Poindexter on his notes: "[M]y general policy was to commit as little to paper as possible."].)		
85/12/04-022 DECEMBER 4, 1985 - NOVEMBER 25, 1986	THE PRESIDENT'S MORNING BRIEFINGS POINDEXTER ACCOUNT: "Mr. LIMAN. On the matter of the morning briefings, who would normally attend the morning national security briefings with the President? "Mr. POINDEXTER. If the Vice President was in town and not traveling, he would be there; the Chief of Staff, and I would usually take my deputy." (Poindexter Testim., JHICI, 7/15/87, at 37. See Poindexter, Senate Dep., 7/2/87, at 427-31 [the President's daily briefing].)		
85/12/04-100 DECEMBER 4, 1985 THROUGH OCTOBER 17, 1986		STATUTORY RESTRICTIONS ON CONTRA AID: APPLICABILITY: CIA, DoD, and any "entity involved in intelligence activities" FUNDS AVAILABLE: Classified amount USE OF FUNDS: Communications and intelligence only; otherwise, no funds may be used to support military or paramilitary activities in Nicaragua PERMISSIBILITY OF INTELLIGENCE ACTIVITIES: Intelligence activities and exchange of information allowed PERMISSIBILITY OF SOLICITING OTHER NATIONS: State Department may solicit for humanitarian aid; neither foreign nor military aid may be made contingent on contributions (JHICI Chart VII.)	

CHRONOLOGY OF THE
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85/12/04-150 AFTER DECEMBER 4, 1985		AUTHORIZATION FOR THIRD-COUNTRY SOLICITATION POINDEXTER ACCOUNT, Part 1: "Mr. LIMAN. Now, as I understand your testimony, you genuinely believed that in approving the diversion, that it was consistent with the policies of the President in terms of third country support. You have already testified to that, and I would like to ask you some questions about that. "Is it a fact that the Administration had gone to Congress in 1985 and gotten permission from Congress to solicit third-country support? "Mr. POINDEXTER. Yes. We worked with Members of Congress to get that provision. "Mr. LIMAN. And is it a fact that that provision for obtaining third-country support was limited to humanitarian aid? "Mr. POINDEXTER. Since leaving the White House and going back over this material, that is correct. I can't say that during the discussions that I can recall in the White House there was great distinction made between humanitarian aid or any other kind of aid at that particular time. There was with respect to the 27 million. I simply don't recall great distinctions being made. "Mr. LIMAN. Are you saying that when Congress worked out the legislation with the Administration that authorized solicitation for humanitarian aid, the Administration interpreted that as meaning it could solicit the lethal aid? "Mr. POINDEXTER. No. I am not saying that at all. I am just giving you my recollection at the	DIVERSION: ITS RELATION TO THIRD-COUNTRY SUPPORT POINDEXTER ACCOUNT: See col. 2.

time.

"Mr. LIMAN. And you also understood that that bill provided that it was only the State Department that could do the solicitation. Do you recall that, sir?

"Mr. POINDEXTER. Yes, I recall that.

"Mr. LIMAN. Now, was the money that you were getting from the Ayatollah, or Secord, however you viewed it, was that money to be limited to being disbursed for humanitarian aid?

"Mr. POINDEXTER. In no way. You see, the distinction here is that--and this is contrary to what you have heard before from other witnesses, but I never believed, and I don't believe today, that the Boland Amendment ever applied to the National Security Council staff or the President's personal staff. But the problem was that the Boland Amendment did apply to the State Department, it did apply to CIA, and it did apply to the Defense Department.

"We had been running this operation on our own for a long period of time because there was no other alternative in order to keep the contras alive. And we wanted help, we wanted also a more public recognition of the fact that the U.S. was supporting the contras in some way.

"I, frankly, I personally still wanted that to be done, the public support to be done in such a way that we could slowly turn back to a covert program run by the CIA, but it was important to me and to others that we get the State Department back into the game."

(Poindexter Testim., JHICI, 7/15/87, at 132-34.)

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85/12/04-151 1984-86		AUTHORIZATION FOR THIRD-COUNTRY SOLICITATION POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. LIMAN. . . . Did you ever discuss with the President of the United States that the NSC was raising money for lethal aid? "Mr. POINDEXTER. Mr. Liman, are you--if I may ask, to clarify the question, are you saying that raising money is soliciting money? "Mr. LIMAN. I don't want to get into a semantic debate about solicitation when every day in the newspapers and financial sections they have announcements of offerings and they say this is not a solicitation, so please do not get me into that semantic debate. "Let's talk about raising money, obtaining money for lethal aid, that the NSC was obtaining money for lethal aid. "Mr. POINDEXTER. The President was aware that we were encouraging--I guess would be a fair way to describe it--third countries to contribute to the cause of the contras in Central America in their fight against the communist Sandinistas, and, of course, we were doing that primarily by pointing out to them the dangers that we saw, and, as Colonel North has testified, it wasn't very difficult. "They clearly understand the problem. The Central American countries under--the neighboring countries, the other countries that are on your list that I have heard you talk about up here-- "Mr. LIMAN. Two and three.	DIVERSION: ITS RELATION TO THIRD-COUNTRY SUPPORT POINDEXTER ACCOUNT: "Mr. LIMAN. Admiral, the reason that you were using the funds from the Iranian arms sale was that there were not enough other countries that saw things the way you have just described; is that fair? "[Counsel conferring with witness.] "Mr. POINDEXTER. No, I don't think that is fair, Mr. Liman. "The p[o]int is that most of the countries around the world are in economic difficulty. They don't have the luxury of being able to provide that kind of financial support. "There is a lot of moral support out there, there is a lot of support in terms of service in kind, but there aren't many countries that have an economy that allows them to be so generous. "Mr. LIMAN. Let me rephrase it--you did not have enough money, dollars, from third countries, to support the contras; is that correct? "Mr. POINDEXTER. That is correct at that time. There were other reasons that we didn't want to go back right at that time. "Mr. LIMAN. And this money that was coming out of the Iranian arms sale was therefore important in order to keep the contras going, correct? "Mr. POINDEXTER. I thought that it was very important. "Mr. LIMAN. And you thought that within the

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		"Mr. POINDEXTER. . . . [T]hose countries were readily willing to help and this might be a good point, if I may, to point out--there has been a lot of talk about quid pro quos [sic] when you talk to third countries about supporting a cause that is important to the United States and what do they get in return. ". . . . "It is important to their long-term security [in an unnamed third country] as they see it that the President be strong and if that meant supporting the policies that he thought were important, they were readily willing to do that. "Mr. LIMAN. Admiral, the reason that you were using the funds from the Iranian arms sale was that there were not enough other countries that saw things the way you have just described; is that fair? "[Counsel conferring with witness.] "Mr. POINDEXTER. No, I don't think that is fair, Mr. Liman. "The p[o]int is that most of the countries around the world are in economic difficulty. They don't have the luxury of being able to provide that kind of financial support. "There is a lot of moral support out there, there is a lot of support in terms of service in kind, but there aren't many countries that have an economy that allows them to be so generous. "Mr. LIMAN. Let me rephrase it--you did not have enough money, dollars, from third countries, to support the contras; is that correct? "Mr. POINDEXTER. That is correct at that	general charge that the President gave to you with respect to the contras, you could do what you did on the Iranian arms money without going back to him; correct? "Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/15/87, at 134-38.)

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		time. There were other reasons that we didn't want to go back right at that time. "Mr. LIMAN. And this money that was coming out of the Iranian arms sale was therefore important in order to keep the contras going, correct? "Mr. POINDEXTER. I thought that it was very important. "Mr. LIMAN. And you thought that within the general charge that the President gave to you with respect to the contras, you could do what you did on the Iranian arms money without going back to him; correct? "Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/15/87, at 134-38.)	
85/12/04-152 AFTER DECEMBER 4, 1985		THE PRESIDENT'S VIEW OF THE CONTRAS AS POINDEXTER BECAME NSA AND AS THE LAW CHANGED POINDEXTER ACCOUNT: [Continuing from preceding entry:] "Mr. LIMAN. What was the general charge that the President of the United States gave to you? "Mr. POINDEXTER. He wanted to be sure that the contras were supported. I don't recall the description body and soul, but that in essence in my view was what he wanted. He wanted to encourage private contributions, to get what support we could from third countries, and you know, the details--I think the President understood, from discussions I had with him, the limitations that were placed on the State Department, the Defense Department, and the CIA. "He knew that Colonel North was the chief	

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		staff officer on Central America because of Colonel North's attendance at various meetings in which these issues, the general issues of Central America were discussed. "But I did not get into the level of detail with him as to exactly how Colonel North was carrying out his charter to keep the contras alive. "I generally knew those details, but frankly, I didn't think those details were important to the President. The only thing that was important to him was that they were staying alive." (Poindexter Testim., JHICI, 7/15/87, at 138.)	
85/12/04-153 1984-86		CONTRA SUPPORT, GENERALLY: PRESIDENT'S VIEW POINDEXTER DEPOSITION ACCOUNT: "Q. . . . You testified last time about what the term Project Democracy meant to you as used by Colonel North, correct? [See 86/07/15-218.] "A. Correct. "Q. Did you ever use that term with the President of the United States? "A. No, because it wasn't my term. When I would read reports from Colonel North that referenced that I always translated it into the private network. "Q. Did you ever brief the President on the private network? "A. Not specifically, other than just the general subject of private support and third country support. But I would not have characterized it, probably, as a network. "Q. And when you briefed him on private	

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		support and third country support is there anything that you recall other than what you've testified on that subject? "A. The only way -- I mean I can't recall again specific conversations, but my general approach would have been to talk to him at the level of detail of saying that there was private support and third country support and, you know, conceivably at some point in '86 I may have told him that, you know, the support was running out and clearly we discussed it in that NSPG meeting. "But I just simply wouldn't have gotten into that level of detail with him[.] "Q. But as I understand it, when you say you wouldn't have gotten into that level of detail you have no recollection of ever saying to the President, when you talked about third country support or private support, the name of any country that was giving support? "A. That's correct. "Q. And did you ever tell the President that any of this support was solicited by a member of the government as opposed to just being volunteered? "A. No, because, again going back to the beginning, on [redacted] support, which was the first support, I was told by Mr. McFarlane that he had informed the President about that, so I was always operating under the assumption the President was aware of that and I don't -- "Q. We don't have to repeat that testimony unless you have something additional. "A. I lost my train of thought."	

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		(Poindexter, Senate Dep., 6/17/87, at 321-23.)	
85/12/04-154 1984-86		SOLICITATION FOR THE CONTRAS, GENERALLY POINDEXTER DEPOSITION ACCOUNT: [Continuing from preceding entry:] ". . . . "Q. . . . Did you have any knowledge of any U.S. Government official soliciting funds? "A. Thank you. "Q. Soliciting funds for the contras other than what you've testified to about Robert McFarlane going to a third country? Other than that do you have any knowledge of any U.S. Government official, Oliver North specifically, as well as others? ". . . And other than what happened in 1986 with Brunei? "A. I do not, and that was the point I was going to make a moment ago, was that it would not be fair to indicate that I knew that anybody solicited money. In fact, even in [redacted] business I'm not sure how the conversation went. "Q. Admiral, I don't want to get into having you characterize a conversation that you weren't at, and that's what you don't want to do. "A. That's what I don't want to do. "Q. You've already testified to your understanding of the way in which the private fundraising took place, where North would talk about the needs of the contras and then would leave the platform and they would go across the street to see Channell, and there was some care taken that North would not do something that might	

be overt solicitation. Is that fair?

"A. That's correct.

"Q. And why was that, if it was perfectly okay to solicit money?

"A. May I?

"(Pause.)

"The point that I want to make here is that my understanding of Mr. McFarlane's concerns about solicitation are not related to the Boland Amendment but they are related to other legislation that puts restrictions on government officials soliciting. Now I don't know exactly what that law is, but that was always my understanding about why he was so sensitive about Ollie not soliciting.

"There is other legislation, and my attorneys have --

"MR. BECKLER: We're not going to take the stand.

"BY MR. LIMAN: (Resuming)

"Q. I don't want to get into that. But were you aware, Admiral, that the CIA had taken the position that under the Boland Amendment they were not going to permit any of their officials to do solicitation of money?

"A. I was aware of that.

"Q. And whether or not a court will ultimately conclude that it does or doesn't ban solicitation, you were aware that there was a concern that Congress might feel that this was an end run around the law? That would be fair, wouldn't it?

"A. The way I would prefer to describe my

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		concern was that if Congress was aware that countries had contributed, whether we solicited or didn't solicit, that they would then take it out on those countries in the foreign assistance appropriation. "Q. Well, was there some concern on your part also that if Congress learned that the Administration felt free to solicit that it might draw even more restrictive legislation? "A. That was a possibility. The other possibility was that it might lessen the pressure on the whole system for us to get back into the funding operation, which to me was important, that we ought to be back in there." (Poindexter, Senate Dep., 6/17/87, at 323-26.)	
85/12/04-200 DECEMBER 4, 1985			POINDEXTER'S INHERITANCE AS NSA: PROBLEMS WITH THE IRAN INITIATIVE POINDEXTER ACCOUNT, Part 1: "Mr. NIELDS. . . . I take it, it is fair to say when you became the National Security Advisor, among other things which you inherited, you inherited the whole problem of the initiative involving the sale of arms to Iran and hostages. "Mr. POINDEXTER. I inherited a lot of problems, and this was probably not the most significant. "Mr. NIELDS. But you did inherit-- "Mr. POINDEXTER. I did inherit this one. "Mr. NIELDS. And it did have problems. "Mr. POINDEXTER. It had problems. It was a very high-risk operation from the very beginning. "Mr. NIELDS. And, for example, there was an

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issue of replenishment, the Israelis wanted to make certain whatever they sold to Iran was replenished by us and promptly.

"Mr. POINDEXTER. Yes, that was a problem.

"Mr. NIELDS. And indeed that applied to the 18 Hawks.

"Mr. POINDEXTER. Yes, I--say that again now, the question.

"Mr. NIELDS. Well, it may be that I am asking it in a confusing way. I think the PROFS messages that have been entered in the record indicate the original plan was to ship 80 Hawks, and the Israelis were very anxious to have those 80 Hawks replenished and promptly.

"Mr. POINDEXTER. Yes. After going back and reviewing all this material, that indeed was the original plan.

"Mr. NIELDS. And indeed you made some contacts with the Department of Defense in furtherance of the Israeli request.

"Mr. POINDEXTER. Yes. I have a vague recollection of talking to General Colin Powell [see 85/11/26-750], who is now the Deputy Assistant to the President, the job I used to have. At the time he was Military Assistant to Cap Weinberger. And I can recall conversations with Colin about the availability of Hawk missiles. That's about all I recall of the conversation. And I really am very fuzzy on the timing of that discussion.

"Mr. NIELDS. And I take it another problem was that the 18 Hawks that were actually shipped turned out to be the wrong kind of missile.

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			"Mr. POINDEXTER. Yes, they did. "Mr. NIELDS. And the Iranians complained bitterly and accused everyone of playing a cheating game. "Mr. POINDEXTER. I knew the Iranians were upset. I don't think I was aware of all the details. "[Conferring with Counsel.]" (Poindexter Testim., JHICI, 7/16/87, at 104-06.)
85/12/04-201 DECEMBER 4, 1985			POINDEXTER'S INHERITANCE AS NSA: PROBLEMS WITH THE IRAN INITIATIVE POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. NIELDS. I take it that the mix-up on the 18 Hawks was attributed, at least in part, to the particular intermediaries that were being used or had been used up to that time. "Mr. POINDEXTER. Based on reading these old PROFS notes fairly recently, it appears that there was some problem there. I am not sure that we ever understood exactly what happened. "Mr. NIELDS. Well, was it part of your plan, so to speak, to try to put things on a sounder footing for the future by--and I don't mean this pejoratively--by getting rid of Mr. Ledeen, Mr. Schwimmer and Mr. Nimrodi and replacing them, so to speak, with Mr. North and Mr. Nir? "Mr. POINDEXTER. Thinking back on it, the events of November 1985 were confusing at the time, as I have previously testified, and I think it was probably in closed session, I missed a major [N]SPG meeting in early August 1985 in which

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			this situation was discussed. "But in early December, after I took over, I wanted to get the issue moving in a much more organized manner and in a way where we had a lot more control over what was happening. "Also, after the 7 December meeting in the residence and George Shultz and Cap Weinberger raising the legality question, I certainly wanted to get the Attorney General involved, and I wanted to get a finding that clearly laid out the whole program. And that is the direction we proceeded. "Mr. NIELDS. You are jumping ahead of me a little bit. "Mr. POINDEXTER. Sorry. "Mr. NIELDS. I take it the answer is you did want to put it on a sounder footing and one thing you wanted to do was change the personnel that were involved? "Mr. POINDEXTER. Yes. I--because I recognized this was going to be a very sensitive operation and I guess I was pretty well convinced in my own mind that the President would want to go ahead with it, and do as much as we could, and if we were going to do that, I wanted people involved that I was, frankly, more comfortable with. "Mr. NIELDS. And you have also just made reference to the finding. I take it that was an issue. And you testified to the finding that you did have signed on the fifth and you have also testified that you were dissatisfied with the way in which that finding was drafted and you wanted that redone? "Mr. POINDEXTER. That is correct."

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			(Poindexter Testim., JHICI, 7/16/87, at 106-08.)
85/12/04-250 1985-86			LOGISTICS OF THE IRAN ARMS TRANSFERS: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. FASCELL. Do you know how and when and under what condition the arms that went to Iran were removed from the U.S. arms depot? "Mr. POINDEXTER. I don't know the details of how those--the logistics actually operated. I do know that there was liaison between the logistics people at CIA, the logistics people in the Defense Department, that when the appropriate monies were available to pay the Defense Department's asking price for the weapons, that that money was transferred. But I wasn't aware of the details. "I knew that it was being transferred and that--I knew that General Secord or his organization would take custody at a remote location that is controlled by the CIA and that he would then take responsibility for moving the material on to its eventual destination." (Poindexter Testim., JHICI, 7/20/87, at 87-88. See 86/01/17-351 [Poindexter on logistics of the Iran arms transfers].)
85/12/04-255 1985-86			LOGISTICS OF THE IRAN ARMS TRANSFERS AND CONGRESSIONAL NOTIFICATION: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. FOLEY. . . . I would like to refer to two or three items that I think would be helpful in clearing up perhaps inadequate specifics in the

record and then go to a final subject.

"With respect to the obtaining of TOWs and Hawk spare parts from the Department of Defense, I believe the record shows that several Pentagon officers and the Army's General Counsel have testified that the order to transfer the weapons was given in such a way that it would bypass the normal Department of Defense usual procedures for monitoring of price and sales to the Central Intelligence Agency.

"Are you able to shed any light on that?

"Mr. POINDEXTER. You will have to ask Cap Weinberger on that. I don't know how he managed it in the Department. [See 86/05/23-930, -935.]

"Mr. FOLEY. Did you participate in directing any particular method of obtaining those weapons?

"Mr. POINDEXTER. No.

"Mr. FOLEY. When Lieutenant General Brown of the Army staff apparently brought to your attention the fact that there might be a requirement to notify the Congress--do you recall that memorandum--

"Mr. POINDEXTER. Right. I recall it, having seen it in preparation for the hearings.

"Mr. FOLEY. Did you indicate that it should be put in the file with the finding?

"Mr. BECKLER. Let's just get Exhibit [JMP] 78.

"Mr. FOLEY. All right.

"Mr. POINDEXTER. Yes, I did, but to clear it up to make sure that we are entirely accurate here, General Brown sent a memo to General Colin Powell, the Military Assistant, and General Powell referred it to me. And I also believe we had a telephone conversation about it before he sent it over.

"Mr. FOLEY. Did you make the judgment that there was no requirement to notify the Congress or that the Congress should not be notified?

"Mr. POINDEXTER. I didn't actually make that judgment. That judgment was made in January of 1986 by Ed Meese, who determined that under the provisions of the National Security Act, which was the statutory authority for the President to carry out this action, there was no reporting requirement. [See 86/11/18-020.]

"See, what the Army did not understand, and apparently this is as a result of the way that Secretary Weinberger was managing the issue with the Department, they didn't understand that these weapons were not being transferred under the Arms Export Control Act and I think this memorandum was simply prepared to keep the Army's experts clean, that if it was under the Arms Export Control Act, there would be a reporting requirement.

"Mr. FOLEY. So you decided that in accordance with the Attorney General's opinion that this was not required.

"Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/21/87, at 138-40; JHICI Ex. JMP 78 [Powell memo to Poindexter, with memo attached from Powell to Weinberger, entitled "Congressional Notification of Significant Intelligence Activities," 3/12/87. Cover sheet attached to these papers bears the handwritten message dated 3/12/86: "Paul, put this with the

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			finding. JP"]. On pricing of TOWs and Department of Defense records of the Iran arms shipments, see generally entries starting at 86/05/23-940.)
85/12/04-600 DECEMBER 4, 1985			LEDEEN'S MEETING WITH ALLEN LEDEEN ACCOUNT, Part 1: "Q. . . . Now, apparently, you met with Mr. Allen and the Chief of the European Division on December 4th, 1985. In terms of that meeting, can you give me your best recollection of what transpired at the December 4th, 1985, meeting? "A. Well, I told them the basic story of what had happened, since I believed -- I felt that I could discuss it with them at this point because I thought the thing was over. So what I was discussing with them was my experiences with Ghorbanifar, why I thought he was a useful person for the Agency to deal with, because of his contacts and his knowledge and sources. And I encouraged them to follow up on some of the contacts that I had made or was about to make through Ghorbanifar, or because of Ghorbanifar, particular in the area of counterterrorism. "Q. All right. Let me read you some excerpts from Mr. Allen's memorandum on that meeting. He says that the meeting began at about 3:00 o'clock on December 4th and that you had just explained that you had just returned from Paris where you had conducted some unspecified business. "That reference would be to the trip to Paris and Italy that you have just described; correct? "A. I had just returned from Paris. "Q. And you were not relating to Mr. Allen

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			and the Chief of the European Division anything which you had learned in Paris about the Iran initiative; is that right? "A. I hadn't learned anything in Paris. I was trying to make enough money to support my family. "Q. All right. The problem I've got is what Allen says about that meeting. Let me read to you what he says and see if you have any further recollection. He says, 'While there in Paris, he --' meaning you '-- acquired certain documents and other information that he believed would be useful in a collection that --' Allen '-- is conducting on behalf of Lieutenant Colonel Oliver North, NSC Staff, relating to the U.S. hostages.' "Then he says, 'Subject also proposed a new initiative against President Khaddafi and Libya, utilizing certain resources, et cetera.' "It leaves the impression that you were telling Allen that you had acquired certain things relating to the initiative in Europe. Is that incorrect? "A. So far as I can recall, it is incorrect. Read me those sentences again, would you? "Q. 'He,' meaning Ledeen, 'explained that he had just returned from Paris where he had conducted some unspecified business. While there, he acquired certain documents and other information that he believed would be useful in a collection effort that the NIO/CT,' Mr. Allen, 'is conducting on behalf of Lieutenant Colonel Oliver North, NSC Staff, relating to the U.S. hostages.' "(Pause.)

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			"A. Look, on one of these occasions of my -- I went to Paris quite often in the period November/March. I was probably there once a month and sometimes twice a month. There was one occasion in which I had to change an Air France ticket and I went into the Air France offices on the Champs Elysee and walked up to the counter, and Ghorbanifar was standing next to me. "So even though I had been ordered not to talk to him and so forth, there I was, and we went out to dinner. And while we were out to dinner, he gave me some documents, some stuff dealing with terrorism. It may have been that occasion. "Q. All right. "A. I tend to remember that it was later than that. I would have placed it into 1986, this contact. But it could have been on this occasion, and it could be that that was the time I brought some of these things back. And they consisted of [redacted.] It is possible." (Ledeen, Senate Dep., 6/22/87, at 166-69. See id. at 224-26 [Ledeen's meeting with Ghorbanifar at the Air France counter].)
85/12/04-601 DECEMBER 4, 1985			LEDEEN'S MEETING WITH ALLEN LEDEEN ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. This doesn't give you any further refreshed recollection of actually participating in meetings that occurred in either [redacted o]r Paris at this time? "A. No. I certainly did not participate in any of the meetings that you have discussed. I

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			absolutely did not. "Q. All right. "A. And it, furthermore, sounds to me, from your description of the dates of those meetings, that it would be very hard for Mr. Ghorbanifar to have been in Paris at the same time, although I guess it is possible. "Q. Europe is a small continent -- what can I tell you. "A. It is a small continent, yes. "Q. Okay. He goes on to say that you informed him of private efforts that you had undertaken, with White House encouragement, to establish contacts within the Iranian Government, contacts that were helpful in securing the release. "So I take it, you gave him kind of a history of what you had been doing? "A. That's right. "Q. Was he knowledgeable of your involvement, as you perceived it, at the time of this meeting? Were you telling him something new, or did he already know about it? "A. I don't really -- I don't remember. "Q. All right. You also identify for him Ghorbanifar as Ashgari at this meeting, according to Mr. Allen. As to that, was that news to Allen, or did he know who Ghorbanifar was? "A. No, that seemed to be news. "Q. That did seem to be news to him? "A. Yes. "Q. You also identified to Mr. Allen a person that you identified to him as the Iranian

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			Government's principal contact with Ghorbanifar. Do you recall discussing who that person was with Allen? "A. Yes. "Q. Okay. "[Answer, then question and answer redacted.] "Q. The very same guy. "Then he makes some representations on expectations on hostages that I want to review with you. "A. Yes. "Q. He says, 'Ledeen explained that the four hostages were expected to be released just before Thanksgiving because of the Hawk missiles that had been delivered with intermediaries who include, among others, David Kimche. After delivery of 20 of these missiles, S[]utherland, Anderson, Jen[c]o and Jacobs[e]n were to be released [redacted.] Once these four were released, another 100 Hawks would be delivered to Iran. This did not occur because there were disagreements over the particular model of the Hawk missile that was delivered.' "He is saying that that is what you were telling him. Do you recall making those kinds of statements to Allen? "A. I don't even recall these arrangements, but I don't challenge them. Anyway, I don't remember it but -- "Q. It doesn't give you a refreshed recollection is what you are telling me? "A. No." (Ledeen, Senate Dep., 6/22/87, at 169-71.)

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85/12/04-602 DECEMBER 4, 1985			LEDEEN'S MEETING WITH ALLEN LEDEEN ACCOUNT, Part 3: [Continuing from preceding entry:] "Q. . . . He says, 'On November 28th, [redacted] was frantically trying to contact Speaker Rafsanjani, urging him to reciprocate by freeing the hostages now that the Americans had shown good faith. According to Ghorbanifar, the disagreement appears to have resulted from the misunderstanding on both sides concerning what specific type of equipment was requested.' "Do you recall giving that level of detail to Allen? "A. Yes. "Q. You did. Okay. Then he says, according to you, relating what Ghorbanifar has to say, 'The opportunity to deal with Iran is now excellent because Tehran is desperate for specific types of equipment, such as TOW, antitank missiles. He also notes that neither Iran nor its surrogate has kidnapped any Americans in some months.' "Did you discuss those kinds of things with him? "A. Certainly. "Q. The level of desperation that you perceived was discussed? "A. I believed it. "Q. Okay. The discussion of the Libyan scam operation [see 85/12/15-300], do you recall reviewing that with Allen at that time? "A. Yes. "Q. Do you recall being an advocate of that,

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			as a good idea? "A. Yes. "Q. Do you recall telling him that Colonel North had been apprised of the program? "A. Yes. "Q. Do you recall telling him that Colonel North endorsed the program? "A. Yes. "Q. Was that true? "A. Yes. "Q. You had discussed it with North? "A. Yes. "Q. When? "A. Previously. "Q. In a one-to-one meeting that you and North would have had? "A. Yes. North -- look, the Libyan scam gasped along for a year with North, at least in conversations with me, saying that he was always in favor of it, and with North, I think, finally even voting formally for it as late as October 1986, so there is no doubt about that. And the thing was raised formally at some interagency meeting in the Fall of 1986. "Q. Okay. All right. But from your perspective, North is on board? "A. Oh, yes. "Q. It was a good idea, and you were basically relaying all that to Allen? "A. Yes. "Q. Okay. Down in Paragraph 8 of this memo, he says that you noted that you would be traveling again shortly to Europe and would be discussing

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			the proposed Libyan operation further with Mr. Ghorbanifar. 'He was hopeful that in the meantime some reaction could be obtained from CIA,' and then he goes on to say that you noted that you had discussed this issue with Oliver North of the NSC who favors the undertaking of this operation. "Do you recall those representations? "A. We are still talking about Libya? "Q. Yes. "A. Yes." (Ledeen, Senate Dep., 6/22/87, at 171-74.)
85/12/04-603 DECEMBER 4, 1985			LEDEEN'S MEETING WITH ALLEN LEDEEN ACCOUNT, Part 4: [Continuing from preceding entry:] "Q. . . . So you told him that you were going to be meeting with Ghorbanifar in the future, in Europe, about the Libyan operation. "A. Yes. "Q. In terms of your understanding of the direction that you had received from Poindexter and, within a day or so, North, that you were out of the operation, how did that correspond to your representation to Allen that you were going to go to Europe to talk to Ghorbanifar about the Libyan sting? "A. It was not -- what I had been removed from was Iran. I had not been removed from work on terrorism. "Q. . . . So you perceived that to be -- the Libyan operation to be a different compartment, so to speak? "A. Oh, absolutely.

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			"Q. . . . In terms of the upshot or the result of this meeting with Allen on the 4th of December, what was your perception of what you had accomplished? "A. I had informed two of the best people at the CIA of the potential that I thought existed, and had brought them up to speed so that they were, hopefully, now knowledgeable enough to evaluate things better." (Ledeen, Senate Dep., 6/22/87, at 174-74. See id. at 175-80 [information provided by Ledeen to Allen following the 12/4/85 meeting]; id. at 197-98 [Clarridge was present for at least part of the meeting]. See also id., 9/10/87, at 37-38, 50-51, 63-64 [Ledeen's view in 12/85 that the Iran Initiative was over].)
85/12/05-010 DECEMBER 5, 1985			FUTURE IRAN ARMS TRANSACTIONS NORTH MEMO: In an unsigned, unaddressed memorandum, North relays the 50 HAWK/3300 TOW proposal (see 85/12/04-003, -004) to Poindexter. The memo states that the HAWKs are to come from Israel's "prepositioned war reserve," Congress is not to be informed, and the Israelis are to generate a "cover story" when they request replacements: "The Israelis have identified a means of transferring the Iranian provided funds to an Israeli Defense Force (IDF) account, which will be used for purchasing items not necessarily covered by FMS [Foreign Ministry Sales]. They will have to purchase the replenishment items from the U.S. in FMS transaction from U.S. stocks. Both the

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			number of weapons and the size of the cash transfer could draw attention. If a single transaction is more than $14.9 M, we would normally have to notify Congress. The Israelis are prepared to justify the large quantity and urgency based on damage caused to the equipment in storage." (JHICI Ex. OLN 49 [memo, "Special Project Re Iran," 12/5/85]; Iran-Contra Report, at 195.)
85/12/05-020 DECEMBER 5, 1985			THE 12/5/85 FINDING: TEXT "I have been briefed on the efforts being made by private parties to obtain the release of Americans held hostage in the Middle East, and hereby find that the following operations in foreign countries (including all support necessary to such operations) are important to the national security of the United States. Because of the extreme sensitivity of these operations, in the exercise of the President's constitutional authorities, I direct the Director of Central Intelligence not to brief the Congress of the United States, as provided for in Section 501 of the National Security Act of 1947, as amended, until such time as I may direct otherwise. "SCOPE[:] "Hostage Rescue - Middle East "DESCRIPTION[:] "The provision of assistance by the Central Intelligence Agency to private parties in their attempt to obtain the release of Americans held hostage in the Middle East. Such assistance is to include the provision of transportation,

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			communications, and other necessary support. As part of these efforts certain foreign materiel and munitions may be provided to the Government of Iran which is taking steps to facilitate the release of the American hostages. "All prior actions taken by U.S. Government officials in furtherance of this effort are hereby ratified." (JHICI Ex. JMP 18 [= Ex. SS 4].)
85/12/05-024 JULY 29, 1984	RATIFICATION PROVISION OF A PRESIDENTIAL FINDING, GENERALLY MEESE ACCOUNT: "Mr. BOLAND. And what is your view of the legal standing of a covert action finding that seeks to ratify already conducted covert operations? "Attorney General MEESE. In my opinion, it does not have any effect because the law provides that the President make a finding that something is in the national interests or the national security interests, depending upon the particular statute, and I think that clearly implies that the finding be made prior to the commencement of the covert action." (Meese Testim., JHICI, 7/29/87, at 267-68.)		
85/12/05-025 NOVEMBER 25 - DECEMBER 5, 1985			THE 12/5/85 FINDING SPORKIN ACCOUNT: "Mr. WOODCOCK. Before we go too far into the tail end of 1985, let me direct your attention back for just a moment to the Exhibit SS-4, which

is the Finding, the November Finding that your staff prepared for you and that you passed on to Mr. McMahon.

"Mr. SPORKIN. Right.

"Mr. WOODCOCK. This Finding provides that the foreign materiel and munitions which we discussed earlier were to be provided to the Government of Iran; is that correct?

"Mr. SPORKIN. That is correct.

"Mr. WOODCOCK. And that is the Government of Iran as opposed to, say, moderates within the Government of Iran or non-governmental figures within Iran, is that correct?

"Mr. SPORKIN. Well, I guess I went right to the heart of it and said the Government of Iran, even using the words you are going to use eventually, it is going to get to the Government of Iran.

"Mr. WOODCOCK. You didn't provide for Iranian intermediaries in here. These arms are going to the Government of Iran. That's well understood, is that correct?

"Mr. SPORKIN. This is a Finding that was designed to get to what I believed was the heart of the problem. I don't think I want to gain, you are going to see me accepting the responsibility, where I'm responsibility [sic], and I've always done that and I'm going to continue to do that. This is Sporkin's interpretation of what this was all about.

Mr. WOODCOCK. And it was your interpretation based upon the information you had been given, is that correct?

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			"Mr. SPORKIN. That is correct. "Mr. WOODCOCK. No one ever came back to you and said you were wrong, is that right? "Mr. SPORKIN. No one said I was wrong and that's my interpretation of what it was. But nobody said this is what it was. This the way I put it together. "Mr. WOODCOCK. Okay. "Now, let me ask you to step back a day further in time, back to November 25th, do you recall during the briefing that you received from the DO representatives whether they used any specific references to any particular types of weapons and in particular, what I'm asking here is do you recall them using the term 'missiles'? "Mr. SPORKIN. I would think they did. You are asking me to recall today, I can't. But I would say the likelihood is they told me they were missiles, they might even [have] used the words 'HAWKs' and 'TOWs'. You have got to realize when I get into a job at that age I've left all my boyhood dreams aside and these things don't mean a whole lot to me. I was trying to be as clinical as possible. If I had realized it became important to find out exactly what we are talking about I would have paid more attention. But I think you are probably right, they probably told us exactly what was involved, and I don't think we were talking about anything other than, I mean missiles and I'm sure they even mentioned what they were, but I can't recall. "Mr. WOODCOCK. That's your best judgment though.

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			"Mr. SPORKIN. That's right." (Sporkin Testim., JHICI, 6/24/87, at 35-37; JHICI Ex. SS 4 [12/5/85 Finding].)
85/12/05-035 NOVEMBER 25 - DECEMBER 5, 1985			THE 12/5/85 FINDING: NON-NOTIFICATION AND RATIFICATION PROVISIONS SPORKIN ACCOUNT, Part 1: "Mr. WOODCOCK. . . . [L]et me direct your attention to what has been marked as SS No. 4. That is the finding which was drafted into formal form by your assistant on November 25; is that correct? "Mr. SPORKIN. That is correct. "Mr. WOODCOCK. Let me go over some of the provisions of this document with you. This document contains a provision for not notifying Congress; is that correct? "Mr. SPORKIN. That is correct. "Mr. WOODCOCK. And do you recall how it is that that provision came into being? "Mr. SPORKIN. Yes. If I may, let me explain to you what happened here. "I told you, as a lawyer, when you are sizing up a problem, I saw there were three major areas I had to deal with. One was to make sure that this project was fully authorized from the top, from the highest authority in the land. The second problem I had to deal with was how to maintain the security of the project so that if it was viable, it would be able to be accomplished. And the third area, which we will get into, is how do we deal with that very small window of 48 hours or so in which the Agency had been involved in activity.

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			And I had to deal with those three. "I dealt with the number one by saying we do it through a finding, because that goes to the President of the United States. I dealt with the secrecy and the security end of it by utilizing a provision that I don't recall; it might have been used one other time in my tenure, but one that is very rarely used and only in extreme circumstances, and that was in the non-notification to the Congress. And the third area, to take care of that 48-hour window, was to make sure that this activity had been authorized and that the President was willing to ratify it so that my people or the people of the Agency knew that they were operating under Presidential authority. "So those are the three issues and that's the way I dealt with it. "Mr. WOODCOCK. Your analysis of the three issues anticipated at least one or two lines of questioning I was about to throw out. One is that the no-notice provision is not something again that you undertook lightly; is that correct? "Mr. SPORKIN. Absolutely. "Mr. WOODCOCK. And that underscores again the sensitivity of the project on which you were working; is that correct? "Mr. SPORKIN. Right. And by the way, this is not something that--this is me, this is my decision that I made. So anybody that rises or falls on a decision, it is me. I want that to be clear. "Mr. WOODCOCK. Now, the next matter that you

brought up is that this finding contains in it a ratification provision directed at prior actions of the Agency or Government officials; is that right?

"Mr. SPORKIN. Right.

"Mr. WOODCOCK. Now, Judge Sporkin, you, I know, understand well that the Hughes-Ryan concept of a finding is based on desire to ensure that a President approve a covert action before it actually occurs; is that right?

"Mr. SPORKIN. That is correct.

"Mr. WOODCOCK. The concept of ratifying an action or covert action after it has occurred is inconsistent with that rationale; is that right?

"Mr. SPORKIN. Well, yes. You know, I'm--

"Mr. WOODCOCK. As a matter of principle.

"Mr. SPORKIN. I think that it is important, obviously, in the perfect world, is to have the President authorize it, everything in writing beforehand.

"Mr. WOODCOCK. Correct. And that is the intent of the Hughes-Ryan Act, and the concept of ratification is inconsistent with that intent; is that right?

"Mr. SPORKIN. The concept of ratification, I would agree with you, if it were abused. I don't believe that this was, in this case, was abusive, and I believe it was the correct thing to do.

"Mr. WOODCOCK. I understand, but I want to direct your attention ultimately to the events of November 25. Now I'm speaking in general terms.

"In general terms, the concept of ratifying an action after it occurs is inconsistent with the

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			concept of a finding? "Mr. SPORKIN. I'm not going to debate that with you." (Sporkin Testim., JHICI, 6/24/87, at 19-22; JHICI Ex. SS 4 [12/5/85 Finding].)
85/12/05-036 NOVEMBER 25 - DECEMBER 5, 1985			THE 12/5/85 FINDING: NON-NOTIFICATION AND RATIFICATION PROVISIONS SPORKIN ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. WOODCOCK. You would not, in your role as general counsel to the CIA, have counseled the CIA to have regularly engaged in the practice of committing covert actions and then seeking ratification through the finding process; is that right? "Mr. SPORKIN. That is absolutely correct, and this is, in my recollection, probably the first and only time and probably the last time it's ever going to be done, because if I realized this would get me my 15 minutes in the sun, I think I would have given up on that opportunity. "Mr. WOODCOCK. Now, bringing you back to the specific problem that you faced on November 25, even though you would not counsel the CIA to regularly indulge this practice, you were faced as the legal guardian of the rights of the CIA with a situation [in] which a covert action had in fact occurred and no finding had been issued for it; is that right? "Mr. SPORKIN. No, that isn't technically correct, Mr. Woodcock. The point was that I didn't even--well, there might be some lawyers

that are a little more deliberate than I am and probably when they determine they are going to go from point A to point B, sit down and analyze it and sometimes they can analyze it for weeks and months. Sometimes, however, you know, if you know you are going to go to point B, you cut through all that and say, I want to be at point B.

"So I did not fly-speck this and analyze it in the minute detail that some others might have done, and I wasn't really concerned whether this was or not a covert action. What I was concerned about was the fact that we were engaged in a very high-profile kind of activity that I believed we had to get--we had to make sure that the President of the United States was truly authorizing this activity.

"Because look at what we were doing: This was arms were going to Iran. I know that. I mean, I knew that that was a problem. And therefore, I wanted to make sure that it went to the top and I didn't sit down and determine, is this technically or not technically a covert action. It is not the way I practice law.

"Mr. WOODCOCK. You were faced with events that had already occurred; is that correct?

"Mr. SPORKIN. Yes. Well--

"Mr. WOODCOCK. I want to focus the questioning here on your ratification section alone, and the justification for the ratification section, in your mind, as a prudent lawyer, was that events had occurred; is that right?

"Mr. SPORKIN. That is absolutely correct.

"Mr. WOODCOCK. If events had not already

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			occurred, there would be no need for a ratification section; is that correct? "Mr. SPORKIN. Correct. "Mr. WOODCOCK. That is what I'm driving at. You were faced with a situation in which events had already occurred and you believe, or on the briefing that you had received, that a finding was advisable, is that correct? "Mr. SPORKIN. That is correct. "Mr. WOODCOCK. And part of your concern in analyzing this problem was that those persons who had participated in the events that had already occurred would not be cloaked in the finding and the Presidential authority that comes with it without the ratification provision; is that right? "Mr. SPORKIN. That--that is a possibility. The point I wanted to make sure is, I wanted to hammer it home. You understand--in other words, I wanted--it may well be they were protected by this finding because we were talking about, what, 48 hours of activity, transportation and communication--we were the tail-end of the process. We only got brought in because they could find nobody else to do it. We were bailing out a project. "Mr. WOODCOCK. That is you, the general counsel's office? "Mr. SPORKIN. Right. But I didn't want to sit down and say, can we do it, or we can't do it in that respect. What I wanted to say is, I wanted to nail it home so that the President would say, 'Yes, I confirm that this was authorized activity.'

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			"Mr. WOODCOCK. Right. And when you say that, you are referring both to prospective activity and activity that has already occurred; is that correct? "Mr. SPORKIN. Not by the ratification. "Mr. WOODCOCK. I understand. The finding as a whole addresses the prospective activity? "Mr. SPORKIN. Oh, yes. "Mr. WOODCOCK. And activity that has already occurred? "Mr. SPORKIN. That is correct. "Mr. WOODCOCK. And as a lawyer, you were concerned, were you not, that the actions that occurred would be cloaked in Presidential authority as the actions that were to occur would also be cloaked in Presidential authority; is that right? "Mr. SPORKIN. That is right." (Sporkin Testim., JHICI, 6/24/87, at 22-26; JHICI Ex. SS 4 [12/5/85 Finding].)
85/12/05-040 1981-86	RETROACTIVE FINDINGS POINDEXTER ACCOUNT: "Mr. COHEN. Admiral Poindexter, were there other covert operations that the NSC was operationally involved in other than that particular one during your tenure as advisor or while you served under Bud McFarlane? "Mr. POINDEXTER. Yes, there were. "Mr. COHEN. Would you be prepared in Executive Session to advise the committee as to the nature and extent of those operations? "Mr. POINDEXTER. Yes, I think so. I would		

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	want to I think first check--have my counsel check with the White House and make sure they didn't have a problem with it. "Mr. COHEN. You indicated during your first day that on one or two occasions there were one or two presidential findings that were retroactive in nature, and I want you to know that I checked with the Senate Intelligence Committee and the committee has never received a single finding that purported to authorize covert activities that have already taken place, which leads to one of two conclusions. "Number one, either they were never reported to the Congress, and number two, they did not indicate the retroactive nature that the activities actually had taken place prior to their signing. "I was wondering if you could shed any light on those one or two occasions. "Mr. POINDEXTER. Senator, I think as you know, the precise finding is not usually provided outside of the Executive Branch. There is a paper that is called an advisory, I believe is the term that we use now, that summarizes the activity. "My recollection is still that there were one or two previous findings that had a retroactive feature. My recollection is that the actions that were to be included in this retroactive way were not very significant, but in my view it was an overabundance of caution on the part of some people at CIA that insisted that such a sentence be included. I don't know whether that was briefed to the Congress or not.		

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	"Mr. COHEN. I think you discussed that also during the Executive Session [sc. deposition]. "You also indicated during your first day that if the President had made a decision that you would expect Secretary-- "Mr. BECKLER. The admiral just asked me appropriately is there going to be an Executive Session? "Chairman HAMILTON. The Chair has not had a request for an Executive Session at this point, Counsel. We did that with Colonel North at one point and if it is appropriate, we will go into Executive Session. ". . . . "Mr. COHEN. I was not part of the Executive Session at which depositions were taken. Secondly, as Vice Chairman of the Intelligence Committee, I think it is important that I have an opportunity to find out what other covert activities the NSC was involved in without our knowledge, and what other retroactive findings may have been signed with no communication of that to the Intelligence Committees. "Now, I think the appropriate forum is not here, but in some private session with the Chairman and Vice Chairman of the House and Senate Intelligence Committees. And I will move on to another question." (Poindexter Testim., JHICI, 7/20/87, at 61-63. See Poindexter Testim., JHICI, Executive Session, 8/6/87, at 4-7 [covert operations involving the NSC operationally], 7-9, 17-24 [both on retroactive Findings], 9-11 [not a new concept to		

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	avoid Congressional notification].)		
85/12/05-100 DECEMBER 5, 1985			THE 12/5/85 FINDING POINDEXTER NOTE: "Mtg with President 0830 "* [raised circle] Iran-Finding." (JHICI Ex. JMP 20 [= Poindexter Dep. Ex. 1 at p. 12; Poindexter handwritten note].)
85/12/05-110 DECEMBER 5, 1985			THE 12/5/85 FINDING: PRESIDENT'S SIGNING POINDEXTER ACCOUNT, Part 1: "Mr. NIELDS. I take it on the day after [McFarlane's] resignation on December the 5th you handled the National Security briefing of the President at 9:30 a.m. "Mr. POINDEXTER. Probably--yes, I probably did. I would have to go back to check my notes to make sure of that, but I guess that was the date that the November finding was signed. "Mr. NIELDS. That is what I was going to get to. "Mr. POINDEXTER. My problem is that I have trouble remembering that and it is conceivable that it was placed in the morning briefing folder, but I rather think I had a meeting and discussed it. "Mr. NIELDS. And I take it you made up a check list prior to the briefing that would remind you what you wanted to raise at the briefing? ". . . . "Mr. POINDEXTER. Yes, I have it. "Mr. NIELDS. And I take it the first item on the list [Ex. JMP 20] was the Iran finding.

"Mr. POINDEXTER. That's correct.

"Mr. NIELDS. So that on your first national security briefing of the President when you were acting as National Security Adviser, the first item was the Iran finding, which I take it is the same one that you have testified yesterday and today you eventually destroyed on November 21, 1986.

"Mr. POINDEXTER. Yes. I--you know, I had obviously attended a lot of 9:30 meetings with the President, over two years' worth. So although--and I had led other meetings before when Mr. McFarlane was gone, but I don't want to imply that this was a fresh, new experience.

"Mr. NIELDS. And I take it that that finding was the one which related to the shipment of 18 Hawks . . . to Iran by Israel.

"Mr. POINDEXTER. Yes, in effect, it was.

"Mr. NIELDS. CIA had requested it?

"Mr. POINDEXTER. Yes. And John McMahon, as I recall now, had been pestering me to get it signed, and that's probably why I took it up that morning.

"Mr. NIELDS. And I take it you were yourself personally familiar with that transaction already?

"Mr. POINDEXTER. I was familiar with some aspects of it.

"Mr. NIELDS. . . . I take it Mr. McFarlane was out of town or out of the country at the time the shipment was actually made, and Colonel North briefed you, in effect, on the transaction while Mr. McFarlane was gone.

"Mr. POINDEXTER. Yes. He sent me several

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			PROF notes and we probably had a couple of meetings on the subject. "Mr. NIELDS. And indeed he sent you some PROF notes before the shipment actually occurred? "Mr. POINDEXTER. Yes. I--based on reviewing all this material, I see that he did. "Mr. NIELDS. And you had discussed the matter with the President prior to the 5th of December? "Mr. POINDEXTER. I probably had, that's correct. "Mr. NIELDS. I think if it's helpful to refresh your memory, I think Exhibit [JMP] 19--I take it those are notes of a meeting that you had with the President on the 25th of November, 1985. "Mr. POINDEXTER. Yes, they are. "Mr. NIELDS. And they refer to this transaction involving the hostages and Iran? "Mr. POINDEXTER. It looks that way. "As I'm sure you have detected by now, my notes are very cryptic and they were meant to be short-term reminders. "There's a bit of speculation on my part in interpreting what that means. "Mr. NIELDS. But I take it it's your best interpretation that that relates to the shipment of arms to Iran? "Mr. POINDEXTER. I believe it probably does. I think the significance of the note is that one shipment to Teheran will take place on the--or took place, I guess--well, see, that's why--I'm assuming the 22 is a date. It may not be. "One interpretation of it, is the only way I could put it at this point, is that one hostage to

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			Teheran on the 22, one shipment to Teheran on the 22 produces two hostages. But that's a bit of speculation. "It's not totally clear because it's not consistent with the date above. "Mr. BECKLER. Maybe we ought to have the record reflect exactly what the words are in that memo, just so there is no ambiguity. "Mr. NIELDS. That's fine. "The words are hostages, dash, to Teheran, 22, and then an arrow and a 2." (Poindexter Testim., JHICI, 7/16/87, at 95-99; JHICI Exx. JMP 19 [Poindexter handwritten note ("Hostages-1 to Tehran 22 [rightward pointed arrow] 2"), 11/25/85], JMP 20 [Poindexter handwritten note ("Mtg with President 0830 Iran-Finding"), 12/5/85].)
85/12/05-111 DECEMBER 5, 1985			THE 12/5/85 FINDING: PRESIDENT'S SIGNING POINDEXTER ACCOUNT, Part 2: [Question continuing from preceding entry:] "[Mr. NIELDS.] And I think that Mr. Liman showed you just a few moments ago a page from Mr. North's spiral notebook that refers to a conversation with you on the 26th of November indicating that R.R. has directed that the operation proceed. "Mr. POINDEXTER. Yes, I saw that exhibit. "Mr. NIELDS. Now, I take it that although the finding was actually signed on the 5th of December, you had had it for some several days, maybe as many as ten. "Mr. POINDEXTER. Well, as I recall, the

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			exhibit indicates that Bill Casey's cover memo to me is dated the 26th, which I guess would have been Thanksgiving or the day before. "I do not recall when I got the memo, but some--obviously sometime between the 26th and the 5th. "Mr. NIELDS. But I take it you do recall that Mr. McMahon from the CIA was badgering you to get it signed? "Mr. POINDEXTER. I do recall that now. "Mr. NIELDS. And what was the reason for the delay? "Mr. POINDEXTER. I haven't thought about that question. I believe that the President was--well, I'm not sure. He may have been in Santa Barbara. He may have been out of town. He often went to Santa Barbara for Thanksgiving. I haven't checked that fact. "Mr. NIELDS. The finding that was signed on the 5th, like the later findings, called for no immediate notification of Congress. "Mr. POINDEXTER. I frankly--I'll take your word for it. I would have to go back and look at it. "Mr. NIELDS. It's up on the board, and it's also Exhibit No. [JMP] 18 in your exhibit book, and it says-- ". . . . " . . . 'I direct the Director of Central Intelligence not to brief the Congress of the United States as provided for in Section 501 of the National Security Act, 1947, as amended, until such time as I may direct otherwise.'

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			"Now, I take it at that time that was not--that was new to you, that language in a finding? "Mr. POINDEXTER. No, it wasn't necessarily new. I don't recall--well, I do recall one previous finding containing such a statement, but it later was amended and the Congress was--the appropriate authorities in Congress were briefed on that previous finding. So it wasn't a new concept. "I clearly understand the Hughes-Ryan Amendment to the National Security Act. "Mr. NIELDS. It was at least not the normal way in which findings were done? "Mr. POINDEXTER. Well, obviously it is a provision of the law that should be used under extraordinary circumstances. This was an extraordinary circumstance. It was not the usual routine. "Usually we--the President elected to use one of the other provisions of the law. "Mr. NIELDS. . . . Did you consult with anyone regarding either the propriety or the wisdom of putting that language in this finding? "Mr. POINDEXTER. There had been over the years, in discussions of various findings, a rather thorough discussion of the issue of notification. "So it was--the President was aware at the time, I was aware at the time, that he clearly had that authority. There was no need to consult with anybody as to whether the President had that authority or not.

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			"Mr. NIELDS. My only question is: Did you, in fact, in the case of this finding between November 26 or so and December 5 discuss this finding with anyone else? "Mr. POINDEXTER. I don't believe I did. "Mr. NIELDS. And, for example, did you discuss it with the Attorney General? "Mr. POINDEXTER. Not to my recollection." (Poindexter Testim., JHICI, 7/16/87, at 99-103. JHICI Ex. JMP 18 [Casey memo to Poindexter, re Presidential Finding, with Finding attached, 11/26/85].)
85/12/05-113 NOVEMBER 25, 1985 - JANUARY 1986			THE 12/5/85 FINDING: PRESIDENT'S SIGNING POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Now on the Finding to which you've given testimony, which was [Poindexter Dep.] Exhibit 12, after that was signed by the President where was it put? "A. It was probably in an envelope on my desk for a period of time. At some point in, it would have been sometime later, probably the month of January of '86, I took all of the papers I had at the time on Iran, which would have, I guess, been this one and the 5 or 6 January version and the final version and gave those to Commander Thompson to keep in one of the outer office safes. "Q. Where were Findings normally stored? "A. Somewhere over in the old EOB. I don't know exactly where the System IV stuff was stored. "Q. And did you tell Director Casey that this Finding that he sent you had been signed? "A. I can't recall that.

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"Q. Did you tell Colonel North that it had been signed?

"A. I can't recall that either. I probably told Colonel North, but I don't recall it.

"Q. Did you tell Don Regan that it had been signed?

"A. I would assume that Don Regan was probably in the 9:30 when it was signed.

"Q. Do you remember?

"A. I don't remember that, though.

"Q. What about the Vice President?

"A. It depends whether he was at the 9:30.

"Q. You don't remember that?

"A. I don't remember.

"Q. And the Attorney General. Did you ever tell him that it was signed?

"A. I don't think that I ever told the Attorney General that, although it's possible. But I don't think so because, you see, again the frame of reference on this Finding was I never really considered this an adequate Finding, and I'm not even sure that I recommended that the President sign it.

"Q. But he signed it.

"A. But he did sign it. But again because I can't remember the meeting I don't know whether it was -- I think I've testified he did have a habit of if he agreed with a piece of paper he would put his name on it, even though maybe you weren't ready for him to finalize it.

"But, anyway, I never considered it an operative document.

"Q. When you say you never considered it an

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			operative document, this is a document that was the only Finding on dealing with Iran until January of 1986, correct? "A. That is correct. But there was -- yeah, that is correct. "Q. And you never told the President when he signed it that this is a document that's not operative, did you? "A. Well, I'm not sure about that. I mean, again because I can't recall the meeting in which it was discussed, I don't know under what conditions it was signed. I don't think that that's particularly unusual." (Poindexter, Senate Dep., 6/17/87, at 367-70; Poindexter Dep. Ex. 12 [= JHICI Exx. JMP 18, SS 4; Presidential Finding, unsigned and undated].)
85/12/05-114 NOVEMBER 25, 1985 - JANUARY 1986			THE 12/5/85 FINDING: PRESIDENT'S SIGNING, AND CASEY'S COVER NOTE POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. . . . Mr. McMahon wrote a memorandum . . . that he was told, I believe by you, . . . that it had been signed. "A. I don't recall it. "Q. Well, let me refresh your recollection. This was not a document which was signed inadvertently and has no meaning, is it? "A. Well, the only -- well, I really don't have any more on that. "Q. It was sent over by Casey. "A. Right. "Q. Casey was a person who had a close

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			relationship with the President of the United States; is that fair to say? "A. He had worked with him for a long time. "Q. You are very cautious, Admiral. He was his campaign manager. "A. At one point he was. "Q. And a campaign manager, you are aware, is a person who has an intimate relationship with a Presidential candidate. "A. But I am also putting it in light of a long period of time with the President myself. "Q. And Casey was a man who[m] the President was comfortable with, wasn't he? "A. He had great trust and confidence in Director Casey. "Q. And Casey was indeed a very sophisticated man? "A. He was. "Q. And this Finding came over to you with a letter from Casey. "A. That's correct. "Q. And it said: Pursuant to our conversation this should go to the President for his signature. Do you recall that? "A. I recall that. "Q. And so you, according to the covering letter, had had a converastion with Casey before he even sent it. "A. Presumably. "Q. That's what he says. "A. Yes, that's what he says. "Q. But you don't remember the conversation? "A. I don't remember the conversation.

"Q. But one thing I've learned from two days is the fact that you don't remember a conversation is not going to turn out to be unusual, given all of the conversations that you had over this period.

"A. That's correct.

"Q. And you are not denying that you had the conversation with Casey?

"A. No. I just don't remember it.

"Q. And indeed Casey said of the Finding that it should not be passed around in any hands below our level.

"A. That's correct. That's what the memo says.

"Q. And below our level meant not even Ollie North?

"A. Well, I doubt if Director Casey would have excluded Colonel North.

"Q. Because Colonel North was a discre[et] man?

"A. That's correct.

"Q. But Colonel North, despite the power that he appears to have, wasn't at Casey's level?

"A. That's also correct. But also I would point out that I doubt seriously if Director Casey drafted that note.

"Q. Well, it's only a couple of lines.

"A. It's possible. I just doubt it.

"Q. And I knew Director Casey longer than you did when he was a practicing lawyer in New York. I think he could have drafted this note.

"MR. BECKLER: Arthur, we're going to have to put you under oath.

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			"MR. LIMAN: I don't want it to be said that he couldn't write a transmittal letter. "THE WITNESS: Director Casey was a very good writer, very articulate. "BY MR. LIMAN: (Resuming) "Q. When he wanted to be. "A. I'm talking about writing -- not orally." (Poindexter, Senate Dep., 6/17/87, at 370-73; Poindexter Dep. Ex. 12 [= JHICI Ex. JMP 18; Presidential Finding, unsigned and undated; with cover note from Casey to Poindexter, 11/26/85].)
85/12/05-120 DECEMBER 5, 1985			THE 12/5/85 FINDING: "IT WAS SIGNED" POINDEXTER DEPOSITION ACCOUNT: "Q. . . . [F]ollowing that 12/5 [notation], there's something, 'meeting with President, Iran finding.' Am I correct? "A. That is correct. "Q. That would mean since this one has no date, that it followed in very close proximity to December 5, 1985? "A. Yes, sir. That's correct. ". . . . "Q. Can you tell me now what it means? "A. That means that this was the -- probably the day after the President named me to succeed Mr. McFarlane as the National Security Adviser. The President announced that, I believe, on the 4th of December, '85. "So on the 5th, it would probably have been the first day that I was directly responsible for the 9:30 meeting with the President. "The note here -- the redacted note -- is a

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			list of items that I planned to discuss with the President at the 9:30 meeting, and one of the items that I wanted to discuss with him was the Iran finding. There are several other entries that are unrelated to your subpoena on that day. The asterisk meant that it was something -- an item I wanted to be sure, although not the first item on the list, it was the one I -- it was -- I wanted to be certain that I covered it. I can't be sure that I talked to him about it, because of the fact that I don't have any other entry there. "I am confident that most likely I did discuss the -- a finding on the Iranian project with the President and it was probably on the 5th of December. "Q. I'm going to want to go into more detail about that. I hope you have a good recollection on it. "A. I'll try. ". . . . "Q. Admiral, was the earlier finding signed? "A. It was signed. "Q. It was signed? "A. It was signed. "Q. Thank you." (Poindexter, Senate Dep., 5/2/87, at 26-27, 29.)
85/12/05-123 DECEMBER 5, 1985			THE 12/5/85 FINDING: WHY IT WAS SIGNED POINDEXTER ACCOUNT: "Mr. NUNN. Admiral, going back to something that has been discussed a great deal, but hopefully giving you a few slant on it in terms of a question, the December 5th finding, now you

testified that you ripped up or destroyed that finding and you have given your reasons on all of that; correct?

"Mr. POINDEXTER. Correct.

"Mr. NUNN. The question I have is why was that finding which you have said clearly did not reflect in your view an accurate assessment of what the President really had in mind, why did that finding ever go to the President to begin with? Wasn't it your job to keep that kind of incomplete finding which you have testified was inconsistent with the objective from being both read and signed by the President of the United States?

"Mr. POINDEXTER. It was and I believe in my earlier testimony or possibly in one of the depositions indicated that I had some regret that I had let him sign it.

"Mr. NUNN. But you do have--the morning headline is not correct then? You do have some regret?

"Mr. POINDEXTER. Of course I do, Senator.

"Mr. BECKLER. Mr. Senator, you know, we are not going by the morning headlines, fortunately. We are going by what the American public feels about this, not by the headlines.

"Mr. NUNN. Thank you, Mr. Beckler.

"Admiral?

"Mr. POINDEXTER. I thought I answered.

"Mr. NUNN. So you do have regrets about that?

"Mr. POINDEXTER. Yes.

"As I have testified, I think that I acted under pressure when I should have had the finding

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			fully staffed. I didn't. And the President signed it. But it also, I think, is important to note that from a forward-looking standpoint, nothing was done under that particular finding. It was an acknowledgement that after the fact, that the President had approved the Hawk transfers in November. It did not shed any light on his prior approval that may or may not have taken place in Geneva." (Poindexter Testim., JHICI, 7/21/87, at 60-62.)
85/12/05-124 DECEMBER 5, 1985			THE 12/5/85 FINDING: WHAT IT LACKED POINDEXTER ACCOUNT: "Mr. DEWINE. . . . [Y]ou told us what was wrong with it [sc. the 12/5/85 Finding], that it didn't accurately reflect what the President's real meaning, real intent was. . . . [C]ould you explain to me what should have specifically been in that finding? "Mr. POINDEXTER. What should have been in it is essentially all of the material that wound up in the 17 January finding, because the 17 January finding, except for the detail of going direct U.S. to Iran rather than Israel to Iran, except for that, the January 17 finding is really consistent with the President's initial thinking on what our objectives ought to be. "Mr. DEWINE. So if we would look at that finding, that is pretty much what should have been in that earlier finding? "Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/21/87, at 93. See JHICI Exx. JMP 18 [12/5/85 Finding], JMP 28

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			[1/17/86 Finding].)
85/12/05-125 DECEMBER 5, 1985			THE 12/5/85 FINDING: HOW IT WAS SIGNED REGAN ACCOUNT: "I know of no other time when the President would have signed something without it having been explained to him. "Now, there are a lot of papers that came to the President such and such a day, a proclamation day, all this type of stuff, that, you know, he really doesn't go into the detail of why am I signing national such and such a day. So he automatically signs, but there usually is on it some explanation of why. "I cannot explain why he signed it December 5th." (Regan Testim., JHICI, 7/30/87, at 119-20.)
85/12/05-126 DECEMBER 5, 1985			THE 12/5/85 FINDING: WHY IT WAS SIGNED POINDEXTER ACCOUNT: "Mr. BOREN. . . . In regard to what has been referred to as the retroactive finding, the one signed in November [sic (December)] after the fact of the ship[ment], and also the finding which you later destroyed, did I understand in listening to your testimony earlier that that finding was signed by the President after you presented it to him without prior debate and consultation and discussion that you would normally have with people like the Secretary of State, Secretary of Defense, and others within the National Security group? "Mr. POINDEXTER. That is correct.

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			"Again, I think the note from Bill Casey to me indicated he would like to get it signed as soon as possible, and John McMahon called me once or twice about it. It is also important to recognize that the finding--the main feature of the finding was the retroactive nature and those--obviously at this time, the events were much clearer in peoples' minds. "The events had already taken place. There really wasn't a forward-looking aspect to the finding. "Mr. BOREN. It was really a sort of damage control after the fact and the agency being very concerned that there might be questions raised about legality of doing it-- "Mr. POINDEXTER. You have heard the way I have characterized it." (Poindexter Testim., JHICI, 7/10/87, at 123-25.)
85/12/05-500 DECEMBER 5, 1985			THE 12/5/85 FINDING: DRAFTING NORTH ACCOUNT: North testified on the circumstances surrounding the drafting of the December 5, 1985 Finding: "Now you are asking me if some people reasoned perhaps that there was some kind of flaw in the original November finding, and I don't know that. I know that we worked very hard, Mr. Sporkin and I, and eventually with the Director himself, and I believe there was dialog with the Attorney General at about that point in time before and during the time the November finding was sent over and signed. I believe that everybody thought at the

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			time it was legitimate." (North Testim., JHICI, 7/7/87, at 106-07.)
85/12/05-640 DECEMBER 5 OR 6, 1985			THE 12/5/85 FINDING: PRESIDENT'S SIGNING AND POINDEXTER'S TEARING IT UP

POINDEXTER DEPOSITION ACCOUNT:

"Q. You testified earlier that the President signed a finding in December; is that [Poindexter Dep. Ex. 12] the finding he signed?

"A. To the best of my recollection, it is.

"Q. Do you recall when he signed it?

"A. I don't recall the precise date.

"Q. What do you recall about this event?

"A. Based on my notes, apparently I discussed that with the President on the -- is it the 5th or 6th? I think it's the 5th.

"Q. Right.

"A. Which I think is on a Monday, I believe.

". . . .

"(Discussion off the record.)

"[A.] To continue my answer, on about the 5th of December, I believe that I discussed the first version of the finding with the President. Director Casey's memo is dated the 26th of November. That would have been just before Thanksgiving. I don't recall exactly what day I got that, but because I didn't discuss it with the President until the 5th, chances are -- of course, I guess the reason I didn't was that the President was in California for Thanksgiving. Mr. McFarlane was with him out there. It was the period Bud decided to resign on about the 30th.

"So when the President got back, we were in a great state of flux. So I probably didn't get around to discussing it with the President until about the 5th of December.

". . . .

"Anyway, apparently I discussed that with the President on about the 5th of December. The President -- and I probably -- I can't -- I frankly recall [sic] this brief cover note. I probably did not discuss that with the President. It's really nonsubstantive.

"When I would meet with the President on issues like this, I would give him a copy of the paper and I would also give -- or I would give him the original and give a copy to, if the Vice President were there, Don Regan were there, I would give them a copy of it. We would discuss the issue.

"The President agreed with this and he signed it. I frankly was not happy with it because it was a very narrow finding. It did not, in my view, completely lay out all of our objectives. It was before we had had -- we had the meeting on 7 December over in the residence.

"Again, I was just getting fully involved in the origins of the Israeli proposal. I hadn't had much of an opportunity to directly discuss the issue with the Secretary of State or the Secretary of Defense; but the CIA was anxious to get this signed, as indicated by Director Casey's note to me, and so I wanted to find out if the President was in general agreement with it. He was. In fact, he signed it.

"But because I didn't think the finding was

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			adequate, and also I hadn't had an opportunity to talk to the Attorney General about it, and it was our policy on any covert action finding the Attorney General was to clear off on it, so this finding was signed. [Sic.] "Now, the reason that the Tower Commission Report didn't have the complete record is that the -- the signed version of the document does not exist, because I destroyed it." (Poindexter, Senate Dep., 5/2/87, at 105-08. See Poindexter, Senate Dep., 7/2/87, at 98-101 [Poindexter's dissatifaction with the 12/5/85 Finding].)
85/12/05-650 DECEMBER 5, 1985 AND NOVEMBER 21, 1986			THE 12/5/85 FINDING: CYA FOR THE CIA, PRESIDENT'S SIGNING AND POINDEXTER'S TEARING IT UP POINDEXTER ACCOUNT: "Mr. LIMAN. Now, Admiral, did there come a time in connection with this transaction when the CIA sent over to you a proposed finding for the President to sign? "Mr. POINDEXTER. Yes, Mr. Liman. That is the finding that I discussed with you earlier on the 2nd of May, which I destroyed. "Mr. LIMAN. Now, if we look at that finding, it is Exhibit [JMP] 18 in the book, I will put it up there. Did you receive the letter of November 26, 1985, from William Casey addressed to you which says, 'Pursuant to our conversation, this should go to the President for his signature and should not be passed around in any hands below our level.'

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			"Mr. POINDEXTER. I did receive that. "Mr. LIMAN. Did you receive the finding with it? Is that correct? "Mr. POINDEXTER. Well, I must say, I don't actually remember getting it, but I am sure that I did. I am sure they came together. "Mr. LIMAN. Admiral, when you saw the finding, am I correct that the finding itself was essentially a straight arms-for-hostage finding? "Mr. POINDEXTER. That is correct. It had been prepared essentially by the CIA as a--what we call a CYA effort. "Mr. LIMAN. Did the President of the United States sign that finding? "Mr. POINDEXTER. As I have testified before, he did, on or about the fifth of December. I am vague on the date. ". . . . "Mr. LIMAN. Do you recall who was present when the President signed the finding? "Mr. POINDEXTER. No, I don't. One of the things that I think my recollection is very important on the circumstances of the President actually signing this is recall that that was a day or so after Mr. McFarlane had resigned, and the President had just, I am not even--I guess we had announced it on the 4th. "Mr. McFarlane actually resigned on the 30th of November, we announced it on the 4th of December, and my recollection is that he signed this the following day, on the 5th. "My recollection now is that the CIA, especially the Deputy Director, John McMahon, was

very anxious to get this signed. I frankly was never happy with it because it was not fully staffed, and I frankly can't recall when I showed it to the President whether--who was there or exactly what the discussion was or even what I recommended to him at this point.

"I simply can't remember that.

"Mr. LIMAN. But you do recall that whatever you recommended, the President read it and he signed it?

"Mr. POINDEXTER. Yes, he did. He did sign it.

"Mr. LIMAN. And there was, in fact, the recommendation from Bill Casey that he sign[] it and Bill Casey was a person whose advice the President valued?

"Mr. POINDEXTER. He did.

"Mr. LIMAN. What happened to that finding?

"Mr. POINDEXTER. As I said earlier, I destroyed that by tearing it up on the 21st of November, because I thought it was a significant political embarrassment to the President, and I wanted to protect him from possible disclosure of this."

(Poindexter Testim., JHICI, 7/15/87, at 41-44; JHICI Ex. JMP 18 [12/5/85 Finding]. See Poindexter Testim., JHICI, 7/20/87, at 113-14 [Poindexter on presenting the Finding to the President on 12/5/85, generally]. See below at 86/11/21-440, -441, -442, -443 [Poindexter's tearing up the Finding on 11/21/86].)

85/12/05-656

THE 12/5/85 FINDING

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DECEMBER 5, 1985 AND NOVEMBER 21, 1986			POINDEXTER ACCOUNT: "Mr. MITCHELL. You said that early December 1985 you presented to the President a finding which has been interpreted as describing the Iran initiative as an arms-for-hostage swap, and you said you were concerned about it because you felt it didn't completely and accurately describe the Iran initiative. You said the President read it and signed it, and then a year later you destroyed it. "When you tore up the finding you did so, in your words, 'without thinking about it.' Now, am I correct that one of the things you didn't think about was whether your destroying that document was lawful? "Mr. POINDEXTER. That was certainly not part of the equation. I don't think that I implied earlier that I destroyed it without thinking about it. I simply didn't go through a complete analysis of all the ramifications of destroying it. One thought crossed my mind at the time, and I took action promptly to get rid of it. "Mr. MITCHELL. I was merely quoting your words when you said, 'and so without thinking about it, I tore the finding up.' [See 86/11/21-096.] "When you met with the President and he read and signed the finding, did he ask you any questions about it? "Mr. POINDEXTER. Senator, I have tried to recall that conversation on the 5th of December. I can't. I just--I don't remember exactly how the finding was presented to the President or what

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			conversation ensued. As I have said, it did not represent a totality or a total description of the President's thinking. "It covered one aspect that had already taken place. "Mr. MITCHELL. Well, is it a fair summary of your current testimony that you specifically recall presenting it to the President, you specifically recall his reading it and signing it, you specifically recall that you had reservations about it, but you cannot recall whether you expressed those reservations to the President, whether he asked you any questions about it or indeed whether he said anything about it? "Mr. POINDEXTER. I don't recall that, and-- "Mr. MITCHELL. Is that a fair summary of what your testimony is? "Mr. POINDEXTER. Well, but the way you placed it I think it is a little bit distorted. The reason I know he signed it was that the paper I tore up in November 1986 had his signature on it. The President doesn't sign things without reading. Therefore, the items that I have testified on that I am sure of were based on some fact in my mind. "I simply--I have had hundreds of conversations with the President. I simply don't recall the details of that one, as well as a lot of other conversations." (Poindexter Testim., JHICI, 7/20/87, at 191-93; JHICI Ex. JMP 18 [12/5/85 Finding].)
85/12/05-658 DECEMBER 5,			THE 12/5/85 FINDING: GOALS OF THE IRAN INITIATIVE POINDEXTER ACCOUNT:

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1985 AND NOVEMBER 21, 1986			"Mr. COURTER. . . . You indicated that there was a finding signed by the President in . . . November 1985, . . . and that that finding was destroyed by yourself, and you said in your testimony that the reason you destroyed the finding [was] because it left the impression that all you were concerned with and the only thing the President was concerned with was arms for hostages, and I am just wondering whether another interpretation could be made of that finding if one knew about the thinking of the President? "It seems to me that the law requires the President to sign findings for cover [sic (covert?)] activities not for covert purposes, covert intentions, or covert strategies. And if that is the case, the finding is not necessarily inconsistent with the strategic goals and initiative of the President and you, yourself. "The November 1985 finding, even though you thought [it] would be misinterpreted, in my mind is completely consistent with the strategic purposes as you testified; is that possible? "Mr. POINDEXTER. Oh, I think so. I think it is completely consistent. The trouble with it was and still is that it is open to misinterpretation." (Poindexter Testim., JHICI, 7/20/87, at 213, JHICI Ex. JMP 18 [12/5/85 Finding].)
85/12/05-660 NOVEMBER 25, 1985 - JANUARY 17,			THE 12/5/85 FINDING AND THE JANUARY FINDINGS: "A SINGLE PROCESS" POINDEXTER ACCOUNT: "Mr. HATCH. . . . The November finding that

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1986			the President signed, would it be fair to say that that was hurriedly thrown together to satisfy the wishes of certain CIA officials at the time? "Mr. POINDEXTER. That's a fair description. "Mr. HATCH. Well, wouldn't one of the officials be the former Deputy Director of the CIA, John McMahon? "Mr. POINDEXTER. Yes, it was. "Mr. HATCH. He was not known as a strong supporter of covert actions, was he? "Mr. POINDEXTER. He was a very cautious man--is a very cautious man. "Mr. HATCH. And he wanted to make sure that this particular finding was signed to protect him and his agency; is that right? "Mr. POINDEXTER. That was my belief. "Mr. HATCH. Well, you have stated that the November finding was not a fully staffed finding. "Mr. POINDEXTER. That's correct. It did not explain the whole initiative. "Mr. HATCH. What do you mean by that--that it was not fully staffed? "Mr. POINDEXTER. Well, for example, I had not had an opportunity to talk to the Attorney General about it, nor the Secretary of State, nor the Secretary of Defense. "Mr. HATCH. Well, it wasn't run by all of the parties concerned? "Mr. POINDEXTER. That's correct. "Mr. HATCH. And it wasn't run by all of the back-up people concerned? "Mr. POINDEXTER. That's correct. "Mr. HATCH. The January 17 finding was, I

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			take it? "Mr. POINDEXTER. Yes, it was. "Mr. HATCH. That is what you call a fully staffed finding? "Mr. POINDEXTER. That's correct. "Mr. HATCH. That indicated that this was far more than just an arms transfer to--for hostages? "Mr. POINDEXTER. It certainly does. "Mr. HATCH. I take it that once the January finding was signed, that that made the November . . . finding somewhat superfluous, in your mind? "Mr. POINDEXTER. Yes, it did. In fact, I viewed this whole process of the three findings as just that, a single process that started off with a first version, a second version and a final, third version. I really did not view--I viewed the December finding as essentially being superseded by the January 17th finding. "Mr. HATCH. I can see all the screaming and shouting about this, Admiral, if there weren't lots of documents indicating there were many other foreign policy objectives involved, including opening up that new relationship with Iran, of course, and improving our intelligence capabilities, preventing Russian control and hegemony in that area, negotiating a settlement to the Iran-Iraq war, protecting the northern tier states, the southern tier states acquiring Russian equipment, weaning them away from terrorism, and of course if we could get the hostages out, too, it would be wonderful. "All of those were legitimate foreign policy reasons, weren't they?

"Mr. POINDEXTER. We thought so and I still think so.

"Mr. HATCH. And all of those were discussed from time to time, along with some others?

"Mr. POINDEXTER. That's correct." (Poindexter Testim., JHICI, 7/20/87, at 171-73.)

85/12/05-670
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PRESIDENTIAL FINDINGS ON IRAN: "OUTSIDE OF OUR NORMAL SYSTEM"

POINDEXTER ACCOUNT:

"Mr. SARBANES. Now, I'm interested to know why the Iranian findings were treated differently. You, in response to questioning, said, 'We handled'--this is on page 56 of your responses on the very first day. 'We handled'--

"Mr. BECKLER. First day of the public testimony [July 15, 1987]?

"Mr. SARBANES. Yes, Counsel.

"'We handled this series of three findings outside of our normal system. We did have a normal process through which most findings were managed.'

"In this instance, as you understand it, you held these findings--not only the November finding, the retroactive finding with respect to the transfer of arms to Iran, but also the January findings were retained in your immediate office; is that correct?

". . . .

"Mr. POINDEXTER. These three findings, as I have testified, were indeed handled outside of our normal system.

"I've testified that the--what I prefer to call the December, 1985, finding, it was sent to me in November, but the President didn't actually sign it until--

"Mr. SARBANES. December 5?

"Mr. POINDEXTER. --early December. That was not properly staffed. And I regret that.

"It was a situation where I was being pestered by the Deputy Director of Central Intelligence to get it signed and we simply didn't take the proper steps in staffing that. For example, it would have been good to have discussed that with the Attorney General, which was our standard procedure.

"Now, aside from the December finding, the first draft of the January finding and the final version, January 17th, in terms of the principals involved--and by that, I mean the President, the Vice President, the Attorney General, Secretary of State, Secretary of Defense, and me--we were all involved in that finding. Those were the principals--Cabinet officers that are involved with any finding.

"We didn't choose to use our standard administrative procedure because it was a very sensitive operation that we didn't want to leak out. And as I have testified, the way I feel that you stop leaks in this city is that you limit the number of people that are aware of a secret document.

"The problem is that in the normal administrative procedure, if we had followed that, there would probably have been an additional hundred people or so that were aware of the

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			finding. And I didn't want that to happen. "Mr. SARBANES. Were these the only findings that were handled in this extraordinary fashion? "Mr. POINDEXTER. Let me think about that a moment. They are the only findings that I'm aware of that were not eventually briefed to the appropriate Members of Congress. Now, whether we had other findings that we kept out of the normal administrative process, I'd have to think about that to be sure my answer was accurate. "Mr. SARBANES. But none occurs to you at the moment? "Mr. POINDEXTER. Not right at the moment." (Poindexter Testim., JHICI, 7/20/87, at 41-44 [quoting Poindexter Testim., JHICI, 7/15/87, at 56; see below at 86/11/21-443].)
85/12/05-700 AFTER DECEMBER 5, 1985			THE 12/5/85 FINDING NORTH ACCOUNT: North testified he believed he saw a signed copy of the Finding in early December 1985 in Poindexter's office: "Mr. NORTH. It is my understanding that the finding was signed. "Mr. NIELDS. What is the basis for your understanding? "Mr. NORTH. I believe, although I do not recall specifically, but I believe I saw a signed copy of that finding. "Mr. NIELDS. Where? "Mr. NORTH. Admiral Poindexter's office. "Mr. NIELDS. Did you have a copy of it in your office?

"Mr. NORTH. I did not. I had a draft copy.

"Mr. NIELDS. When did you see the signed finding?

"Mr. NORTH. I think I may have seen a signed copy of it in early December.

"Mr. NIELDS. Of what year?

"Mr. NORTH. 1986--sorry-'5.

"Mr. NIELDS. That finding referred only to arms and hostages; isn't that true? It didn't refer to any broader purposes?

"Mr. NORTH. Exactly. That, as I indicated a few moments ago, I perceived to be a serious deficiency in that finding.

"Mr. NIELDS. And a serious problem therefore with exposure of the Hawk shipment?

"Mr. NORTH. Exactly. The exposure of the Hawk shipment--again, my priorities, safety of the hostages, safety of the second channel, the international repercussions of a--what clearly in that initial finding sent to the National Security Adviser by Director Casey was nothing more than an arms for hostages swap.

"I would point out that Mr. Sporkin and I worked diligently over the course of the next few days and weeks to prepare a finding which addressed what I thought were the broader issues and what I clearly believe Mr. McFarlane believed to be the broader issues and certainly Admiral Poindexter in support of the broader issues." (North Testim., JHICI, 7/7/87, at 86-87.)

85/12/05-715
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SHULTZ FINDS OUT ABOUT THE 12/5/85 FINDING
SHULTZ ACCOUNT:

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1985 AND JULY 1987			"Mr. BELNICK. When were you first informed, Mr. Secretary, that the President had signed also a third finding on December 5, 1985? "Secretary SHULTZ. When it emerged in the course of these hearings." (Shultz Testim., JHICI, 7/23/87, at 7.)
85/12/05-780 NOVEMBER 26 - DECEMBER 5, 1985			THE 12/5/85 FINDING: McFARLANE's AWARENESS McFARLANE ACCOUNT, Part 1: "Mr. NIELDS. Now, was there any discussion of a finding in connection with the November 1985 shipment? "Mr. MCFARLANE. I have learned that there was. I believe yesterday we covered that from November the 15th until December the 2nd, I believe, that I was out of Washington and I think that is when most of this interest emerged in having a finding as a consequence of the CIA having been brought in to resolve the problem of the late November shipment, and that understandably raised the concerns of the Director and the Deputy Director and I believe that that is what led to their having proposed to Admiral Poindexter that there be a finding. "Mr. NIELDS. But you are saying that what you are telling us now is based on things you have learned recently; is that right? "Mr. MCFARLANE. Yes. "Mr. NIELDS. I want to get at whether you were aware at the time of any discussions about a finding[.] "Mr. MCFARLANE. I really don't think that I was but I accept that it seems to me probable that

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			at that December 7th meeting if the CIA was represented, and I think it was, that they would have been concerned and probably have taken that opportunity with the President present to say so, but I truly don't remember that occurring. "Mr. NIELDS. Well, I want to ask you a few questions about that, if I may, Mr. McFarlane. First, if you will turn to Exhibit [65]. Do you have that in front of you? "Mr. MCFARLANE. Yes. "Mr. NIELDS. It is a November 26, 1985 letter from Mr. Casey to Vice Admiral Poindexter, your deputy, and it attaches a brief finding which has not been signed, at least this copy has not been signed. Do you have that in front of you? "Mr. MCFARLANE. Yes, I do. "Mr. NIELDS. Now, you, as I understand it, were out of the country on November 26? "Mr. MCFARLANE. Yes. "Mr. NIELDS. I take it that explains why this was sent to your deputy rather than you? "Mr. MCFARLANE. Yes. "Mr. NIELDS. Now, the information that we have, and I think it has been made public previously is that the CIA kept calling on the telephone following the 26th of November inquiring whether the finding had been signed, and they kept being told that it had not yet been signed, and they were told that until December the 5th. "Now, you indicated you were out of the country on November 26, and I take it when you came back, you stopped briefly at your house and then continued on to California?

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			"Mr. MCFARLANE. Yes. "Mr. NIELDS. And then you returned from California to Washington on December 2nd; is that correct? "Mr. MCFARLANE. I believe that is correct. Whenever the President came back, yes. "Mr. NIELDS. Well, if you wish, you can refer to your calendar, your diary entries, which is Exhibit 64. They reflect that you were in your office on December the 3rd. "Mr. MCFARLANE. Fine. "Mr. NIELDS. Okay. Now, the calendar also reflects that on December the 3rd, you had a meeting at 8:50 with Admiral Poindexter; that you had a meeting at 11:40 with Admiral Poindexter; that you had a meeting at 1:22 with Admiral Poindexter; at 4:58 with Admiral Poindexter; at 6:20 with Admiral Poindexter; and at 6:54 with Admiral Poindexter. "I take it that you resigned as National Security Adviser on the 4th? "Mr. MCFARLANE. Yes. "Mr. NIELDS. And would it be a fair assumption that on the 3rd, when you[were] meeting with Admiral Poindexter, among other things, you were preparing to pass the reins, so to speak, to him? "Mr. MCFARLANE. Yes. "Mr. NIELDS. And discussing the various things that are on his or your agenda as of that time? "Mr. MCFARLANE. I imagine so, yes." (McFarlane Testim., JHICI, 5/12/87, at 55-59;

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			JHICI Exx. 64 [excerpts from McFarlane calendars], 65 [Casey memo to Poindexter, "Presidential Finding on Middle East," 11/26/85; with unsigned Finding attached].)
85/12/05-781 NOVEMBER 26 - DECEMBER 5, 1985			THE 12/5/85 FINDING: McFARLANE'S AWARENESS McFARLANE ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. NIELDS. Now, my question to you is whether you discussed the draft finding which has been put in front of you as Exhibit 65? "Mr. MCFARLANE. It really doesn't ring a bell. I have tried to recall whether it came up and I don't believe that it did. It could have. I don't believe it did. "Mr. NIELDS. So you are saying that you did not handle the draft finding yourself. "Mr. MCFARLANE. No. "Mr. NIELDS. And you are saying that your deputy never mentioned it to you when you got back to town on the 2nd, 3rd and 4th of December? "Mr. MCFARLANE. I say I don't him recall [sic] mentioning it to me. I don't. "Mr. NIELDS. There is a bit of a problem with this finding, is there not, Mr. McFarlane? Referring to the short description, it only talks about arms and hostages, doesn't it? "Mr. MCFARLANE. Yes. "Mr. NIELDS. Doesn't say anything about broader initiatives. "Mr. MCFARLANE. Um-hum. "Mr. NIELDS. Did you have discussions either in November or December of 1985 or at any later

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			time with Admiral Poindexter or anyone else about this finding? "Mr. MCFARLANE. No, I don't believe I did. And I say that because since you have pointed it out, that would have jumped out as something that wasn't consistent with my own motives in the Iran business, and frankly, the reason why I urged that it be discontinued in December, but I think that would have stood out in my memory, if it had come up between myself and the Admiral." (McFarlane Testim., JHICI, 5/12/87, at 59-60; JHICI Ex. 65 [Casey memo to Poindexter, "Presidential Finding on Middle East," 11/26/85; with unsigned Finding attached].)
85/12/05-801 DECEMBER 5-7, 1985			THE 12/5/85 FINDING: SHULTZ' KNOWLEDGE SHULTZ ACCOUNT: "Mr. MITCHELL. Now, as you testified yesterday, you did not know about the findings that had been signed by the President authorizing the Iran initiative. The first of them was signed by the President on December 5, 1985. "You met with the President on December 7, 1985, with other officials, and you have described that meeting in some length about how you vigorously opposed the Iran initiative. Am I correct that the President did not then tell you that he had signed a finding authorizing the sale of arms to Iran two days before that meeting? "Secretary SHULTZ. I believe that the President said that he has no recollection of signing such a finding, and there is no co[py] in existence, so--but he didn't inform me of signing

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			it, but he has said that he has no recollection of doing so himself. "Mr. MITCHELL. Admiral Poindexter has testified that he was personally present when the President signed it. "Secretary SHULTZ. Yes, I understand that. All I can do is report the things that have been said." (Shultz Testim., JHICI, 7/24/87, at 134; JHICI Ex. GPS 15 [12/5/85 Finding]. See 86/01/06-701 and 86/01/17-067 on Shultz' knowledge of other Iran Findings.)
85/12/05-810 DECEMBER 5, 1985			THE IRAN INITIATIVE: POINDEXTER BRIEFS SHULTZ SHULTZ ACCOUNT: "Mr. BELNICK. . . . Do you recall, Mr. Secretary, being briefed by Admiral Poindexter when he was about to assume the position of National Security Adviser on December 5, 1985, concerning the Iran initiative? "Secretary SHULTZ. Yes. He called me on the secure phone and gave me a lengthy briefing, and I felt very good about it, and I remarked to my executive assistant, who was there, that he told me more than I had known before of what went on in the latter half of 1985 and I felt this was a good thing and we were off to a good start. "Mr. BELNICK. Do you recall what you told Admiral Poindexter about your views concerning the Iran initiative as he described it to you in that briefing? "Secretary SHULTZ. Well, I told him that I thought it was a very bad idea, that I was opposed

to it. That doesn't mean I was--I was in favor of doing things that had any potential for rearranging the behavior of Iran and our relationship with Iran, but I was very much opposed to arms sales in connection with that.

"Mr. BELNICK. Did you tell him at that time that, in your view, the proposed policy amounted to paying for hostages and had to be stopped?

"Secretary SHULTZ. Yes.

"Mr. BELNICK. In that same conversation, sir, on December 5, the day that Admiral Poindexter briefed you on the initiative, did he tell you that on the very same day the President had signed a covert action finding authorizing an arms shipment to Iran?

"Secretary SHULTZ. No.

"Mr. BELNICK. Did Admiral Poindexter brief you about that finding two days later, on December 7, 1985, when you met at the White House with the President and other senior officials to discuss whether the proposed initiative ought to go forward?

"Secretary SHULTZ. No. That was--I'm sure that was not mentioned in that session."
(Shultz Testim., JHICI, 7/23/87, at 15-16.)

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THE IRAN INITIATIVE: POINDEXTER BRIEFS SHULTZ
SHULTZ ACCOUNT:

"Mr. BELNICK. Sir, on December 5, 1985, you received your first briefing from Admiral Poindexter about the Iran initiative. . . . [I]n speaking to Admiral Poindexter on December 5, you pointed out to him your objection to the fact, which you had learned[,] that the State Department had been cut out of the cable traffic relating to ~~the~~ hostages; correct?

"Secretary SHULTZ. Correct.

"Mr. BELNICK. Could you please, sir, tell the panel what you had learned about the State Department being cut out of that intelligence traffic?

"Secretary SHULTZ. Only that there was a certain class of cable traffic that I don't particularly want to go into that we had been--that those who manage it had told us we weren't getting, told to Under Secretary Armacost.

"Mr. BELNICK. When you brought that up with Admiral Poindexter, what did he say?

"Secretary SHULTZ. I don't--I don't recall very well. You have my notes and can say what it says there.

"Mr. BELNICK. It doesn't indicate, but I take it that Admiral Poindexter did not rectify the situation? You didn't start receiving cable traffic after you spoke to him?

"Secretary SHULTZ. No, I didn't.

"Mr. BELNICK. Sir, was there any other--has there been any other instance in your experience since 1982 as Secretary of State when, to your knowledge, the State Department was deliberately cut out of intelligence and cable traffic regarding a foreign policy initiative or program?

"Secretary SHULTZ. Not that I know of." (Shultz Testim., JHICI, 7/23/87, at 75-77.)

85/12/05-814

THE IRAN INITIATIVE: SHULTZ' VIEW

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LATE NOVEMBER - DECEMBER 7, 1985			POINDEXTER DEPOSITION ACCOUNT: "Q. . . . I believe you recall Mr. Cooper's testimony that they interviewed Secretary Shultz. ". . . . "Q. When they interviewed Secretary Shultz on November 22, [1986,] he had indicated that he had a conversation with McFarlane in late '85, November, '85, at which time McFarlane indicated to him that there were Hawk missiles about to be shipped, and, according to Mr. Cooper's recollection, Shultz indicated in that interview that he expressed his concern and being upset with that decision to McFarlane. Back then, in '85, November of '85, did Bud McFarlane ever inform you Shultz had been upset with the upcoming Hawk shipment? "A. Not that I can recall. "Q. Do you ever recall -- "A. They were both in Geneva; I was in Washington. "Q. That's right. Do you recall talking to Mr. McFarlane at any time after that November, '85, period about Secretary Shultz's reaction to learning about the upcoming Hawk shipment? "A. Other than from -- I think the first time that I had any discussion with Secretary Shultz on this subject was in early December of '85. I don't recall Mr. McFarlane -- he may have told me that, because I knew Secretary Shultz was not in favor of the Israeli initiative when we went into the meeting on the 7th of December. When Mr. McFarlane told me that, I'm not sure. "Q. Do you have any recollection at that

meeting of Secretary Shultz informing the President on that occasion that he had been upset with the Hawk shipment?

"A. I don't recall. I don't recall the Hawks being discussed in that 7 December, '85, meeting." (Poindexter, Senate Dep., 7/2/87, at 96-97.)

85/12/05-815
DECEMBER 5,
1985

THE 12/5/85 FINDING: ARMS, HOSTAGES, AND U.S. POLICY

SHULTZ ACCOUNT:

"Mr. MCCLURE. . . . If we look at that finding that is referred to as the arms for hostages finding, Admiral Poindexter said that he objected to it because it didn't state it correctly, it was not simply arms for hostages. If I understand you, you believe that the President also did not see it as arms for hostages at the time this was going on; is that correct?

"Secretary SHULTZ. The President's policy has always been no arms for hostages, no trades for hostages. That has been, is our policy, and I believe I am correct in saying that the President feels he has never deviated from that policy.

"Mr. MCCLURE. And if that finding conveyed that impression on the face of it, that would not at that time accurately reflect the President's attitude about it?

"Secretary SHULTZ. Well, that would be my impression. If somebody had gone to the President flat-out and said to him, 'Mr. President, we have an opportunity to get our hostages by trading arms and maybe as a side benefit, we might have a little different relationship with Iran,' but

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			really the point is, let's see if we can get our hostages out this way, he would have told them to get lost." (Shultz Testim., JHICI, 7/23/87, at 202-03. See JHICI Ex. GPS 15 [12/5/85 Finding].)
85/12/05-900 DECEMBER 5, 1985			THE IRAN INITIATIVE: POINDEXTER'S CONTACT WITH SHULTZ DoS CHRONOLOGY: "POINDEXTER calls GPS to inform him of a White House meeting on 12/7 because Iran initiative had reached a decision point. Later, GPS tells POINDEXTER that he is 'basically uninformed [about the proposed Iran initiative], although BUD told me about it at the start and I said no.' GPS asks about congressional notification, says that the U.S. is breaking with its hostage policy, and states that 'this thing has got to be stopped." GPS also tells POINDEXTER that he is upset that State has been cut out of cable traffic." (JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 85/12/06-100.)
85/12/05-980 DECEMBER 5, 1985		POINDEXTER'S TRIP TO CENTRAL AMERICA NORTH PROF: North proposes in a PROF to Poindexter that Poindexter take a trip to Central America and suggests that it be "'billed' as a quick tour through the region to confer w/ top ranking U.S. officials to reinforce the continuity of U.S. policy in the region." That explanation,	

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		according to North, would be a "plausible cover" for the real purpose of the trip, which includes delivering to Central American officials "the messages we need sent." (North PROF to Poindexter, 12/5/85 [Committee Document N 12100]. See Iran-Contra Report, at 64. On Poindexter's trip, see also entries starting at 85/12/09-040.)	
85/12/06-000 AROUND DECEMBER 6, 1985			LONDON MEETING: THE FIRST CHANNEL SECORD ACCOUNT: Meeting in London at Yaacov Nimrodi's townhouse near Hyde Park. Attending: Secord, Ghorbanifar, Schwimmer, Kimche, Nimrodi. They discuss the foul-up of the Israeli I-HAWK shipment to Iran in November, and the direct involvement of the U.S. in supplying "high technology systems" (e.g., Harpoons or Phoenix missiles) to Iran. The meeting is a warm-up for one a few days later (c. Dec. 8, 1985) involving McFarlane and North. (Secord Testimony, JHICI, 5/6/87, at 11-13.)
85/12/06-100 DECEMBER 6, 1985			THE 11/85 HAWK TRANSACTION: SHULTZ LEARNS THE HAWK END HELD UP, BUT HOSTAGE RELEASE FELL THROUGH DoS CHRONOLOGY: "GPS meets with ARMACOST and PLATT to prepare for White House meeting on Iran initiative the following day. GPS learns from POINDEXTER that HAWK shipment was sent even though no hostages were released, but that it 'misfired' because Iran rejected the shipment as 'too old.'"

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			(JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 85/12/07-180.)
85/12/06-798 DECEMBER 6, 1985		DIVERSION: NORTH'S PROPOSAL TO THE ISRAELIS SUMMARY: See col. 3.	DIVERSION: NORTH'S PROPOSAL TO THE ISRAELIS SUMMARY: On December 6, 1985, North remarks during a meeting with Israeli officials that the United States wants to use profits from the upcoming arms sale to Iran to fund U.S. activity in Nicaragua. The meeting, held in New York, concerns replenishment of Israeli TOWs. One of the Israeli officials makes handwritten notes of this meeting on December 12, 1985. According to these notes, the Israelis are told by North at the meeting that not only has the United States no budget to pay for the 504 TOW missiles (see 85/08/20-300, 85/09/15-100) -- and plans on the Israeli Government's receiving this money from the Israeli intermediaries -- but that in the future the United States wants to generate profits from this transaction to finance part of its activity in Nicaragua. According to the Israeli Historical Chronology, North has a position paper with him at the meeting that he says is to be presented to the President at a meeting the following day. (Iran-Contra Report, at 197 [citing the Israeli Historical Chronology].)
85/12/06-800 DECEMBER 1985 - EARLY		DIVERSION: INITIAL DECISION NORTH ACCOUNT: See col. 3.	DIVERSION: INITIAL DECISION NORTH ACCOUNT: "Mr. LIMAN. Now, do you recall whether the

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JANUARY 1986			idea of using profit for the contras actually first came up in a meeting that you had with Israeli supply officials in the United States in or about December of 1985? "Mr. NORTH. I don't recall that. My recollection was that the first time it was specifically addressed was during a meeting with Ghorbanifar. It may well have come up before, but I don't recall it. "Mr. LIMAN. You understood from information you had that the Israeli group, the private group that they were using as their cutout, were making a profit, right? "Mr. NORTH. Again, I don't want to be too specific. We knew that somebody was-- "Mr. LIMAN. Was making a profit? "Mr. NORTH. --was making a profit. In fact, the first transaction may have been all profit. "Mr. LIMAN. Did you not, in fact, have some suspicion that that profit was being used for some covert purposes? "Mr. NORTH. Yes. "Mr. LIMAN. And when in December you were giving consideration to having the United States replicate the Israeli system, did you not at that point give consideration to the fact that you could use these funds for a covert purpose? "Mr. NORTH. In December? "Mr. LIMAN. Yes. "Mr. NORTH. I don't believe I did. I mean, I have no recollection of that. My clearest recollection, counsel, is that the first time the issue of using residuals came up was during Mr.

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			Nir's visit at the end of December-early January. "I recall that we met New Year's Day or the day after, whatever, in that time period, maybe New Year's Eve, and it was his proposal at that point to use the profits by the arrangement they envisioned, selling Israeli TOWs at a profit, replenishing them with part of that money, using part of that money for other operations. "Mr. LIMAN. Not the contras? "Mr. NORTH. I do not believe he mentioned contras at that meeting, but my recollection is we began to talk in early January about other joint U.S.-Israeli, and in some cases unilateral Israeli operations of a certain kind that we discussed last night [in Executive Session]." (North Testim., JHICI, 7/10/87, at 41-43. See Iran-Contra Report, at 197 [North's meeting in New York on 12/6/85 with Israeli officials]; 85/12/06-798.)
85/12/06-801 DECEMBER 1985 - JANUARY 1986		DIVERSION: WHOSE IDEA NORTH ACCOUNT: See col. 3.	DIVERSION: WHOSE IDEA NORTH ACCOUNT: "Mr. LIMAN. Colonel, was it you who raised in December of 1985 with the Israelis the idea of using residuals for the contras? "[Witness confers with his attorney.] "Mr. NORTH. I have answered the question several times now. "My recollection is that the first time I addressed the issue, or the issue was addressed to me, was in January, I think somewhere around the 20th--it may have been before that--at a meeting in Europe.

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			". . . ." (North Testim., JHICI, 7/10/87, at 43.)
85/12/06-850 DURING DECEMBER 1985	McFARLANE'S CONTACT WITH THE VICE PRESIDENT, 12/85 McFARLANE SCHEDULE: Robert McFarlane's calendars list the following meetings with the Vice President during December 1985: 12/3/85, 7:55 a.m., VP's Office - OEOB 12/4/85, 10:12 a.m., To See Vice President Bush (10:30) 12/6/85, 3:55 p.m., The Vice President (4:05) 12/12/85, 5:45 p.m., Departed to meet Jonny at Vice President's Residence for a Reception, then to Host the Presidential Box at the Kennedy Center Opera House 12/13/85, 11:59 a.m., The Vice President (12:03) (JHICI Ex. 64, at pp. 48-50 [excerpts from McFarlane's calendars].)		
85/12/06-855 DECEMBER 6, 1985	POINDEXTER'S CONTACT WITH THE VICE PRESIDENT, 12/6/85 POINDEXTER SCHEDULE: Poindexter's schedule lists a 22-minute meeting with the Vice President, starting at 9:40 a.m. on December 6, 1985. (Poindexter, Schedule, 12/6/85 [Committee Document N 51678].)		
85/12/07-090			WHITE HOUSE MEETING, 12/7/85: WHO ATTENDED

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DECEMBER 7, 1985			NSC LIST: An unsigned, unlabeled NSC Meeting Chronology lists: "Saturday, December 7, 1985 (10:00 - 11:00 AM) "Meeting in Residence with President, Shultz, Weinberger, McMahon, Regan, McFarlane, Poindexter" (NSC Meeting Chronology [Committee Document N 7718]. NSC Chronology entries continue at 86/01/06-530. For listings of National Security Briefings at which hostages were discussed, see 86/01/07-005, 86/01/08-005, 86/01/09-005, 86/01/16-005.)
85/12/07-100 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES McFARLANE ACCOUNT: McFarlane on the NSC meeting held after the President's return from Geneva (and after the Israeli HAWKs shipment to Iran): "Mr. LIMAN. Now was the subject of arms sales to the Iranians discussed on December 7 at a meeting of the principals, some of the principals of the National Security Council? "Mr. MCFARLANE. Yes. When the President and I discussed the situation, . . . he said, 'Fine. When we get back to Washington, let's have a meeting of the guys,' which was the Secretary of State, Defense, the DCI, myself and the Vice President, and Mr. Regan, and one was set for December 7th, and it was held. "Mr. LIMAN. And do you recall that Mr. McMahon came in lieu of Director Casey? "Mr. MCFARLANE. Yes, that is correct.

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			"Mr. LIMAN. Now, do you recall what proposal was put on the table at that meeting? "Mr. MCFARLANE. Well, it was a meeting to review what has taken place since the President's approval of August and the negative viewpoints of the Secretaries of State and Defense . . . and it was a matter of consensus -- there was no disagreement really -- that our attitude should be one of openness to purely political discourse, but that we should not agree to sell weapons or to encourage others, like Israel, to do so. "Those were my instructions and I was directed to go to a meeting with Ghorbanifar in London the next day and make those points. "Mr. LIMAN. Do you recall at that meeting any discussion by the Secretary of Defense that it was not legal for Israel to be selling these weapons subject to an agreement by the United States to replace them? Mr. MCFARLANE. It doesn't stand out. However, he had made the point in law back in August of that year, and so it is very likely that he would [have] made it again. "Mr. LIMAN. He expressed himself, in any event, very strongly on this subject, that we should not sell weapons; is that fair? "Mr. MCFARLANE. That is correct, yes. "Mr. LIMAN. And so did the Secretary of State. "Mr. MCFARLANE. Yes "Mr. LIMAN. And is it true that Don Regan also expressed himself against the sale of weapons?

"Mr. MCFARLANE. I believe so.

"Mr. LIMAN. And at this point you were a person who had doubts?

"Mr. MCFARLANE. Yes.

"Mr. LIMAN. And did the President take a position on the sale of weapons at that meeting?

"Mr. MCFARLANE. Well, he approved the position of no sales being conveyed to the Iranians, yes.

"Mr. LIMAN. So that the President, as you recall it, the President's view was that there should not be sales?

"Mr. MCFARLANE. Yes, it was a position in which he was disappointed, frustrated that things had not gone better, but resigned to accepting that if that was the case, don't go ahead."

[The following day, December 8, 1985, McFarlane met in London with Ghorbanifar. See 85/12/08-200.]

(Secord Testim., JHICI, 5/11/87, at 137-40.)

85/12/07-103
EARLY
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IRANIAN ARMS SALES: VIEWS WITHIN THE ADMINISTRATION

McFARLANE ACCOUNT:

"Mr. LIMAN. So that you were in a position in which the Secretary of State was opposed to selling arms to this venture, the Secretary of Defense was opposed to it; correct, both of them?

"Mr. MCFARLANE. Yes.

"Mr. LIMAN. And it was not an every[]day occasion when both of them agreed on any policy; is that fair to say?

"Mr. MCFARLANE. That is correct.

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			"Mr. LIMAN. And you now were very much opposed to it? "Mr. MCFARLANE. Yes. "Mr. LIMAN. Don Regan was opposed to it? "Mr. MCFARLANE. Yes. "Mr. LIMAN. And here all of a sudden a man [sc. North] who was your subordinate up until, I guess, the day he wrote this memo, is recommending a course of pursuing the venture? [Ex. 45-A; see 85/12/09-100, -101.] "Mr. MCFARLANE. As I say, I didn't see that, and it is surprising. ". . . . "Mr. LIMAN. Now, Mr. McFarlane, you said at the December 7 meeting, the President was opposed to going forward with the arms sales at that time. I ask you to think back, and I know a lot of events have transpired, are you positive that that was his position on December 7? "Mr. MCFARLANE. Well, I believe that I portrayed today his position as one of approving the consensus recommendation. He was not pleased by it, nor-- "Mr. LIMAN. What was his point of view as he expressed it before the consensus developed? "Mr. MCFARLANE. Well, the points that he had made earlier about distinguishing between Iranians of genuine opposition to terrorism and Khomeini, and his willingness to try to identify and establish dialogue with those who were truly opposed to terrorism, and that strengthening them to include with arms was a legitimate thing to do. "Mr. LIMAN. Did the President not express at

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			that meeting a great deal of feeling for the plight of the hostages? "Mr. MCFARLANE. The President was always very concerned about that. I don't recall it standing out at that meeting. "Mr. LIMAN. Do you recall any discussion at that meeting by the President that he was willing to take the heat for making a decision to try to save the hostages? "Mr. MCFARLANE. He said that more than once. I believe he said it at the outset in August, and it is very possible that he said it on December 7. "Mr. LIMAN. But you have no recollection of that kind of discussion at the December 7 meeting? "Mr. MCFARLANE. I don't. "Mr. LIMAN. So that, as you sit here today, the President went along with the consensus which was no arms sales, everyone was against arms sales. Do you have any explanation then as to how in January, things got reversed and the President signed a finding authorizing arms sales? "Mr. MCFARLANE. Well, perhaps I am misunderstanding you. I think after I returned [from London], the kind of conversation that you describe occurred during the debriefing of that meeting, and I think on December 11 or so that then, after I had said I have conveyed these points, and that they had not accepted them, and that I found Mr. Ghorbanifar untrustworthy, in the discussion which followed the President made the point, I believe, of why couldn't we continue to let Israel manage this program, and was expressing and searching for, I think understandably, ways to

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			keep alive the hope for getting hostages back, and it is quite true that the President was profoundly concerned for the hostages. "Mr. LIMAN. Did the President ever suggest that Britain might be able to sell weapons to Iran since it didn't have any rules or laws against it? "Mr. MCFARLANE. I don't remember that. ". . . . "Mr. LIMAN. Did you ever, incidentally, in talking to the Israelis about the original TOW sales, tell them they could get the TOWs back for nothing? "Mr. MCFARLANE. No." (McFarlane Testim., JHICI, 5/11/87, at 144-48.)
85/12/07-140 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Do you recall the meeting with the President and others on December 7, 198[5]? "A. Yes, I do. "Q. You were present? "A. Yes. "Q. Why don't you just tell us what you recall? ". . . . "A. Again, to put this in perspective, this was just a few days after the President had named me to succeed Mr. McFarlane. As I recall, Colonel North was in London at the time or he was about to leave to go to London to meet with Ghorbanifar and some Israelis who were involved in the meeting. I can't remember exactly who they were. But we were concerned from the beginning with the Israeli

channel because we hadn't had any direct conta[c]t with it.

"I can't recall at the time whether we knew the man's name was Ghorbanifar or not; but the President generally at least as reported to me by Mr. McFarlane earlier was in favor of pursuing the Israeli idea, at least as far as trying to get a channel functioning into the Iranian government so that we would have an influence on the -- what we saw as the upcoming succession there, as Khomeini passed away or[,] through some other event, the government changed.

"We were most anxious to keep the -- Iran out of Soviet hands. Our general assessment of the situation in that part of the world was that the Soviets were trying desperately to get through to the Indian Ocean, a warm-water port. It has been historically an objective of the Soviet Union. So Iran was a vulnerability to us in that regard.

"I don't want to minimize the President's concerns about the hostages. He was very concerned about the hostages, was from the beginning. We worked hard and diligently to figure out how to get the hostages back one way or the other.

"So the President saw this as a way of getting the hostages back, as a possible way. So he generally felt that we ought to at least pursue the Iranian suggestions.

"But in order to make a decision on whether to do that or not, we felt that it was important that Mr. McFarlane meet with the Iranian contact and come back with a personal assessment as to what he

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			thought. "So there had been meetings with cabinet officials and the President prior to that time; but, as I told you, I wasn't involved in most of those. "The August meeting [was] the first time to my knowledge that the President -- or Mr. McFarlane talked to the President, when the President was out of the hospital either just before or after an operation. The Chief of Staff, Don Regan had gone out to the hospital. I hadn't participated in that. "Since I was taking over as National Security Adviser, I think I am the one that encouraged we have a meeting over in the residence on 7 December. It was a Saturday. In fact, I approached that meeting thinking that I was probably going to lead the discussion, because Mr. McFarlane's general view at that point, even though he technically was the National Security Adviser, he was sort of phasing out and I was handling all the meetings with the President at 9:30. But at the last minute, I learned Mr. McFarlane planned to go. So he did go to the meeting, too. In fact, he led the discussion." (Poindexter, Senate Dep., 5/2/87, at 118-21.)
85/12/07-141 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES POINDEXTER DEPOSITION ACCOUNT, Part 2: [Poindexter narrative continuing from preceding entry:] "Ahead of time, I talked to Secretary Shultz, Secretary Weinberger, and Director Casey about

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			the general nature of the meeting, what the general subject was. Secretary Shultz and Secretary Weinberger said they would be there. Director Casey said he was going to be out of town. He was aware of the proposals and he supported them. In fact, to my recollection, he said I had his proxy in terms of telling the President that. He asked if John McMahon, the Deputy Director of Central Intelligence, could attend in his stead. I said that would be fine. "I can't recall whether I talked to the Vice President or not. Probably did, but I just can't remember that. The Vice President was not there. Apparently he was out of town. Certainly if he had been in town, he would have been invited and probably there. "So we convened on Saturday morning, the 7th of December, over in the living room of the residence; and it was the President, Secretary of State, Secretary of Defense, the Chief of Staff, John McMahon, the Deputy Director of Central Intelligence, Mr. McFarlane, and me. "Normally, I would keep notes at such a meeting, but again this was such a sensitive area that I did not by my recollection take any notes. I conceivably could have written a few things on a yellow legal paid, but subsequently destroyed them at the time, not recently. Because I couldn't find -- I can't find -- there may be conceivably a paper somewhere in the White House, but I rather doubt it. Because, again, we considered -- I tend to make a distinction between formal NSC meetings or NSPG meetings, at which we would invariably

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			prepare a memorandum for record of the meeting, including the notes of whoever the notetaker was. ". . . . "But I don't think you will find anything on this subject, because I purposely didn't take notes on it. "Mr. McFarlane started the discussion and reviewed in -- at least as best I can recall, in general terms his contacts with the Israelis. I frankly can't recall much discussion, if any, of the earlier TOW shipments or Hawk shipments which is kind of interesting. I really can't recall that. It is conceivable that it wouldn't come up, because the meeting was primarily focused on the future; what were we going to do at this point. "Mr. McFarlane went through all the strategic reasons why Iran was important to us. He went through reasons that he thought the Israelis were interested in doing this; and all the Israeli reasons are not necessarily the same as ours. "[4 pages plus 23 lines redacted in their entirety] "Usually on a controversial issue, where there wasn't pretty good agreement, he wouldn't take a decision in the meeting. So the meeting broke up. "Later in the day -- and I am not certain about this -- the President could have called me, but I rather think he called Mr. McFarlane. My schedule would shed some light on this. I think I had a lunch down in the Situation Room after the meeting with Secretary Shultz. I think Mr. McFarlane was still up in his old office. My recollection is after my meeting with Secretary

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			Shultz, I went and asked Mr. McFarlane if the President had called. My recollection is that he said that he had and that he had agreed that -- as I knew he would -- that Mr. McFarlane go [sic] to London." (Poindexter, Senate Dep., 5/2/87, at 121-27.)
85/12/07-150 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES POINDEXTER ACCOUNT, Part 1: "Mr. LIMAN. . . . [O]n December 7, 1985, after the [12/5/85] finding had been signed by the President, there was a meeting, was there not, [among] the principals of the National Security Council? "Mr. POINDEXTER. Yes, there was. "Mr. LIMAN. And do you recall Mr. Weinberger was there and Secretary Shultz was there, Don Regan was there, Mr. McMahon of the CIA was there; do you recall that? "Mr. POINDEXTER. Yes, I do. "Mr. LIMAN. There has been testimony about this. The only reason I am going to ask you about this is because there were certain perceptions in the Tower Report as to whether the Secretary of State or the Secretary of Defense really expressed their views forcefully. "Would you tell us, Admiral, . . . at that meeting, there was a discussion of the Iran initiative, is that so? You have to say yes or no. "Mr. POINDEXTER. Yes, there was. "This December 7th meeting was the first opportunity that I can recall that I had to hear

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			the President personally, the Secretary of State, the Secretary of Defense talk about their feelings about this initiative that had been proposed by the Israelis. "Mr. LIMAN. And the subject on the table was an Israeli initiative under which the Israelis would ship arms to the Iranians and we would replenish the arms, hopefully there would be better relations with Iran, and as a token of good faith, the American hostages would be released; is that a fair summary? "Mr. POINDEXTER. Well, I think it is a partial summary. "Mr. LIMAN. Why don't you complete it. "[Counsel conferring with witness.] "Mr. POINDEXTER. We had been concerned in the National Security Council for some period of time with the situation in Iran. Unfortunately, we have very poor intelligence on what is happening in Iran. "The National Security Council staff had prepared a draft finding [sic] earlier in '85 to try to get the government focused on what we saw as a very significant, looming problem in Iran as Ayatollah Khomeini eventually passed from the scene and it was some sort of succession. We didn't want a repeat of the '70s when things were happening in Iran that we weren't aware of, and eventually went out of our control and out of the control of the government there. We wanted to preclude the possibility in the future, and we felt that we needed to take an initiative to get closer to people in the Iranian government so that

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			we could find out what is happening and hopefully have some influence in the future, or at least have information on which to base the United States policy. "Mr. LIMAN. Admiral, see if this part is correct, that the currency for trying to get that influence that was being demanded, as reported by the Israelis, involved arms? "Mr. POINDEXTER. That is often the currency of any sort of business in the Middle East. "Mr. LIMAN. And in this case, that was the currency being demanded? "Mr. POINDEXTER. Yes. That is correct. "Mr. LIMAN. And it is also true that we did not want to authorize arms shipments to the Iranians unless we were assured of getting our hostages back; is that so? "[Counsel conferring with witness.] "Mr. POINDEXTER. As I was trying to lay out a moment ago, what our concerns were, what our major objective was, the President was clearly also concerned about the hostages. The President is a very sensitive person, and he is concerned about individuals when they are in difficulty. And so he, just as a human being, was concerned about the hostages. "I don't think that the President was overly concerned about them, but he recognized that we did have an opportunity here to try to get the hostages back, and there was no way that we could carry on discussions with Iranian officials about broader objectives until we got over the first obstacle and the first obstacle was to get the

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			hostages back. And the President felt that--that it was worth taking some risk here." (Poindexter Testim., JHICI, 7/15/87, at 57-60.)
85/12/07-151 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. LIMAN. Did the Secretary of State and the Secretary of Defense express objections? "Mr. POINDEXTER. They expressed, as opposed to some reports, very strong, vociferous objection, and clearly laid out for the President the other side of the issue. "Mr. LIMAN. And without going into undue detail, could you just tick off the points they made? "Mr. POINDEXTER. Well, they are the obvious points that have been made since this all has become public. Secretary Shultz was concerned about our operation to staunch the flow of arms into Iran, which is one of the methods that we are using to try to stop the war between Iran and Iraq. "After all, our policy objective there is to stop the war. The policy objective is not to have an arms embargo. You don't just go out and have an arms embargo for nothing. The reason we have an arms embargo against Iran is because we want to try to influence the end of the war, but in its simplest terms, what was being proposed here was not in accordance with that particular method that we were using. "He was concerned that if the European

countries found out about it, that it would lessen their willingness to cooperate. In reality, though, in my opinion, we have never had good cooperation from anybody on Operation Staunch. The European countries continued to send military equipment and supplies into Iran. Iran has been able to carry on a war for six, going on seven years now, I guess.

"Other objections were that it was contrary to the Arms Export Control Act. Secretary Weinberger had slightly different reasons, but they are generally along the same lines.

"Mr. LIMAN. And there is no doubt in your mind that the President listened to and understood those objections?

"Mr. POINDEXTER. I have a very vivid recollection of that meeting, and it was in the residence. The President pulled a footstool up to the coffee table and sat there very quietly, as is his nature, listening to all of the discussion up to that point, listening to Secretary Shultz, to Secretary Weinberger, Mr. McFarlane. I had very little comment. And I don't recall the Chief of Staff saying very much.

"Mr. McMahon was there and commented a little bit about some of the technical aspects of the initiative. I had spoken to Director Casey about the meeting before it took place, and knew at that point that Director Casey was in favor of the idea.

"And the President listened to all this very carefully, and at the end of the discussion, at least the first round, he sat back and he said

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			something to the effect--and this is not a direct quote, but it was something to the effect that 'I don't feel we can leave any stone unturned in trying to get the hostages back. We clearly have a situation here where there are larger strategic interests, but it is also an opportunity to get the hostages back, and I think that we ought to at least take the next step.'" (Poindexter Testim., JHICI, 7/15/87, at 60-62.)
85/12/07-152 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES POINDEXTER ACCOUNT, Part 3: [Continuing from preceding entry:] "Mr. LIMAN. . . . Admiral, at the December 7th meeting, was there any discussion of the November Hawk shipment? "Mr. POINDEXTER. Mr. Liman, I can't recall that. I would be surprised if there weren't, but frankly I'm not sure. "Mr. LIMAN. Is the same thing true with respect to the TOW shipment that took place in September by the Israelis? "Mr. POINDEXTER. Yes. I'm reasonably sure in hindsight that it was probably covered, but my recollection of Mr. McFarlane's introduction to the issue was that he probably provided a review of what had happened up to that point. But frankly I can't remember that review very well. "Mr. LIMAN. As I understand your testimony, the bottom line of the December 7th meeting was that the President listened to the objections, listened to the arguments for this, recognized the risk, said he was prepared to take that risk, and

made a decision that at the very least Mr. McFarlane should go to London. Fair?

"Mr. POINDEXTER. Yes, that is fair.

"[Counsel conferring with witness.]

"Mr. POINDEXTER. And I don't want to leave the impression that this was a stilted meeting. In other words, it wasn't a situation where, as you probably have seen from some of the agenda for NSC or NSPG meetings, where each Cabinet officer had so much time and Mr. McFarlane provided a summary. This was a very free-wheeling discussion, and frankly my experience is that if you want to have a discussion like that, which was what you wanted, you have it at the residence in a less formal setting where everybody could be comfortable. You only have principals in attendance, not a lot of staff around, and everybody feels free to express their view without it being published in the Washington Post the following day.

"So this was a very free-wheeling discussion. Everybody spoke very frankly. Secretary Shultz and Secretary Weinberger spoke more than once. There was a lot of give and take in the discussion.

"But in the end, the President decided that Mr. McFarlane should make the trip to London to check out this Israeli channel so that we could, the President could take a decision based on firsthand information."

(Poindexter Testim., JHICI, 7/15/87, at 63-64.)

85/12/07-154 WHITE HOUSE MEETING, 12/7/85: "THE NEXT STEP"

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DECEMBER 7, 1985			POINDEXTER ACCOUNT: "Mr. McCLURE. . . . After the failure of the November Hawk shipment, as I recall, on December 7th there was a meeting with the President and NSC principals, after the first finding was signed? "Mr. POINDEXTER. Yes, that is correct. "Mr. McCLURE. Secretary Shultz, Secretary Weinberger, Don Regan, and the President were there? "Mr. POINDEXTER. Yes, and Mr. McFarlane. "Mr. McCLURE. I believe you testified that this was the first time you heard the President express his feelings about the initiative, and I believe it was also the first time you heard Secretary Shultz and Secretary Weinberger express their opposition to the initiative? "Mr. POINDEXTER. It is true with regard to the President. I believe I have testified that earlier in that week, I had spoken by secure telephone with Secretary Weinberger and Secretary Shultz, so I probably had an indication of their general position, but it was the 7 December meeting was the first opportunity I had to hear them articulate in great detail what their objections were. "Mr. McCLURE. On Wednesday last week, in response to a question by Mr. Liman, you said, 'And the President listened to all this very carefully and at the end of the discussion, at least the first round, he sat back and he said something to the effect, and this is not a direct quote, but it was something to the effect that "I don't feel we can leave any stone unturned in

trying to get the hostages back. We clearly have a situation here where there are larger strategic interests, but it is also an opportunity to get the hostages back, and I think that we ought to at least take the next step."' [See 85/12/07-151.]

"What did you understand the President to mean when he said 'we ought to take the next step'?

"Mr. POINDEXTER. Well, the issue under discussion, the decision before the President, was whether Mr. McFarlane should leave later that day to fly to London to meet with Mr. Ghorbanifar and so I interpreted that to mean that the President wanted him to go on, that he wanted to take the next step.

"Mr. McCLURE. Did the President give you or anyone else, to your knowledge, specific instructions as to what he wanted to do? Did he lay out the steps that he expected to be followed?

"Mr. POINDEXTER. At that point, I don't believe we [sic] did. That was not until later.

"And I also want to clarify one point, that my recollection is that the President said the things that I have testified to earlier at the end of the first round of discussions. There was further discussion, as we say in the bureaucracy. The Secretary of State and Secretary of Defense reclama'd his decision. At the end of the meeting in the residence, the President said, well, he would think about it, which was often his tendency to do, so he didn't actually take the decision in the meeting.

"Later in the day, I believe the President called Mr. McFarlane and said that he had decided

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			that he should go, and we really needed to get that first meeting out of the way before we decided what additional steps we would take, and that is what we worked on in December and January. "Mr. McCLURE. At that time, was there any decision made to make further weapons transfers, or was that initiative dead at that time? "Mr. POINDEXTER. There certain[ly] was no decision at that time to make further arms transfers. It was clearly a future possibility, but the President wanted to wait until Mr. McFarlane returned from London to take that next decision. "Mr. McCLURE. At the end of the meeting, Mr. McFarlane was asked to take, and you said later in the day he affirmed the decision that Mr. McFarlane should take the trip, and that was a trip to London to discuss it further? "Mr. POINDEXTER. That is correct. "Mr. McCLURE. As I recall, he was going there to check out the Israeli channel so the President could make a decision based on first-hand reports from his own people with respect to that channel and that Israeli proposal? "Mr. POINDEXTER. That is correct. "Mr. McCLURE. The following day, Mr. McFarlane and Colonel North and others met in London with Mr. Ghorbanifar. "Mr. POINDEXTER. Yes." (Poindexter Testim., JHICI, 7/21/87, at 37-41.)
85/12/07-160 DECEMBER 7,			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES POINDEXTER ACCOUNT:

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1985			"Mr. NIELDS. . . . I gather from your testimony that the issue of legality arose fairly early on in your responsibility for this matter? "Mr. POINDEXTER. My first recollection of that issue being raised was in the 7 December meeting in the residence. It may have been discussed in the August 1985 NSPG meeting, but I wasn't there. "Mr. NIELDS. I think you have already testified previously that the Secretaries of State and Defense made a big issue of the illegality of the transaction at that meeting, the December 7 meeting. "Mr. POINDEXTER. My recollection is that they both raised it. I don't necessarily believe that it was to the same extent, but they did not [sic] raise it. I think Secretary Weinberger, my recollection is that that was his biggest objection. "Mr. NIELDS. He did, I take it, make a big issue of the illegality of it, as you said. "Mr. POINDEXTER. I believe he did." (Poindexter Testim., JHICI, 7/16/87, at 108-09.)
85/12/07-164 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: SHULTZ' AND WEINBERGER'S OPPOSITION, AND LEGAL CONCERNS POINDEXTER DEPOSITION ACCOUNT: "Q. Do you have any recollection at [the 12/7/85] meeting of Secretary Shultz informing the President on that occasion that he had been upset with the Hawk shipment? "A. I don't recall. I don't recall the

Hawks being discussed in that 7 December, '85, meeting

"(Recess.)

"BY MR. LEON:

"Q. Do you recall Secretary Weinberger at that meeting expressing concerns about legality of future shipments?

"A. Yes, I do.

"Q. Did he voice them to your knowledge strongly?

"A. Yes, he did. Both he and Secretary Shultz both opposed the plan strongly.

"Q. The AG wasn't present at that meeting, was he?

"A. That's correct.

"Q. Was there any discussion the AG should be brought in on that issue?

"A. There was no discussion of it. But on reflection, he should have been. I subsequently did bring him in on the issue.

"Q. Now, you testified, as I recall it, and you correct me if I am wrong --

"A. Excuse me. With hindsight, it is not clear that we should have recognized before the 7 December meeting the Attorney General should have been there because it wasn't clear there was a legal issue until that meeting."

(Poindexter, Senate Dep., 7/2/87, at 97-98.)

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WHITE HOUSE MEETING, 12/7/85: SHULTZ' AND WEINBERGER'S OPPOSITION, AND THEIR VIEW OF ALTERNATIVES

POINDEXTER ACCOUNT:

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			"Mr. McCOLLUM. . . . Admiral, you testified last week that there was a meeting on December 7th, I believe it was, 1985, between [sic] yourself and Secretary Shultz, Secretary Weinberger, and the President in the White House to discuss the future of this Iranian initiative, whether to go forward, have another meeting in Europe, to pursue it anymore. "Am I not correct that you did? "Mr. POINDEXTER. Yes. "There were other people there. Mr. McFarlane, John McMahon, and the Chief of Staff, Don Regan. "Mr. McCOLLUM. Well, at that meeting, you also said that Secretary Shultz and Secretary Weinberger expressed very strong opposition to this Iranian initiative; and you went into some detail in describing that for us and some discussion ensued about what their objections were. "I am curious if on that occasion, or at any other time to your knowledge, if Secretary Shultz or Secretary Weinberger offered to the President any alternatives for getting the release of our hostages, alternatives to this Iranian initiative which, as I recall, you said the President had expressed a desire at that point after it was all over to go ahead with some comment to the effect that the--we ought to explore every avenue possible to see if we could get the hostages back. "Did they offer any alternatives to the President about how we might do it other than this Iranian play that you were engaged in or wanted to

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			engage in at that time? "Mr. POINDEXTER. They did not. "Mr. McCOLLUM. At any time after that, did they? "Mr. POINDEXTER. No. Nor, to my recollection, any time before that. The NSC staff, I feel, was the driving force from the very beginning in trying to figure out how to get the hostages back. I don't mean to imply that other Departments and other officials in the Government were not concerned about the hostages; but very frankly, I don't recall a single recommendation from those two departments on initiatives to accomplish the objective. "Mr. McCOLLUM. Did they express, that is Secretary Shultz and Secretary Weinberger, either one, any kind of a feeling that we should simply let the hostages remain there, that that was their fate to be? "Mr. POINDEXTER. I'm sorry. Your question again? "Mr. McCOLLUM. My question was on that occasion or later, did there come from Secretary Shultz or Secretary Weinberger, to your knowledge, any feeling that we should simply leave the hostages there? "Mr. POINDEXTER. Oh, no. I don't think that is fair at all. I just don't think that their staffs had this as a high priority item on which they were working and coming up with options. Both Secretary Shultz and Secretary Weinberger, as officials of the Government and as human beings, are certainly concerned about the hostages. But

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			the fact is they did not come up with any initiatives." (Poindexter Testim., JHICI, 7/21/87, at 15-17. See 86/01/07-157, -158 [Shultz and Weinberger responses]. See also Poindexter Testim., JHICI, Executive Session, 8/6/87, at 16-17, 30-33 [alternative plans for hostage release].)
85/12/07-169 AFTER DECEMBER 7, 1985			THE IRAN INITIATIVE: REGAN'S VIEW POINDEXTER ACCOUNT: "Mr. McCOLLUM. You had routine meetings, briefings I believe you said with the President, I guess virtually every working day morning around 9:30; is that correct? "Mr. POINDEXTER. Yes, sir, I did. "Mr. McCOLLUM. And they lasted about 30 minutes? "Mr. POINDEXTER. Right. On the schedule it showed as 15, but the next 15 minutes--the President's schedule is really managed in 15-minute time blocks and the second 15 was reserved for senior staff, and invariably I ran over into that second 15-minute period. "Mr. McCOLLUM. Was Don Regan usually present at those meetings? "Mr. POINDEXTER. Yes. Unless he was out of town or having another meeting. "Mr. McCOLLUM. You told us that he was at this meeting on December 7th and you just told me that he was at most of the meetings that you had with the President, at least briefings. Is it safe for us to assume that Don Regan knew virtually everything about the Iranian initiative

and the contra resupply operations and support operations that the President did?

"Mr. POINDEXTER. Yes.

"Now, the one exception to that may be that actions that took place before he became Chief of Staff--see, I have lost track of time. He became Chief of Staff in January of 1984?

"Mr. McCOLLUM. I believe that is right. I am not precisely sure of the time myself.

"Mr. POINDEXTER. I am trying to think if he was there when Country Two made their first contribution.

"Mr. McCOLLUM. At any rate, at any time after you became the National Security Adviser, he would have been aware?

"Mr. POINDEXTER. Yes. That is right. Not of everything that I was aware of.

"Mr. McCOLLUM. No. No.

"Mr. POINDEXTER. But everything that the President was aware of.

"Mr. McCOLLUM. That's what I mean. Everything the President was aware of?

"Mr. POINDEXTER. Right.

"Mr. McCOLLUM. Did he ever enter into the conversation and discuss this in your presence?

"Mr. POINDEXTER. Yes. He would, once in a while, he would make an observation or make a recommendation to the President which sometimes agreed with me, sometimes didn't.

"Mr. McCOLLUM. And the meeting of December 7th, did he join in the chorus with Secretary Shultz and Weinberger in opposition to this Iranian initiative being further pursued? Was he

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			silent? Or did he support going forward? "Mr. POINDEXTER. I know there has been testimony that I read somewhere or heard commenting on what position he took at that meeting. I frankly can't remember at the 7 December meeting what Don Regan said. But certainly later, when we got around the the 17 January finding, the final version, my recollection is that Don Regan was very supportive of it. "Mr. McCOLLUM. Did he ever take you aside and question you about this whole matter on other occasions outside the presence of the President? "Mr. POINDEXTER. No. "Mr. McCOLLUM. I would like to turn to Attorney General Meese. "Mr. POINDEXTER. May I just add one comment on that? "Mr. McCOLLUM. Oh, certainly. Absolutely. "Mr. POINDEXTER. I think that Don Regan got a bum rap earlier in his time as Chief of Staff of interfering too much in the national security area. He certainly did not, when I was National Security Adviser, and he was very careful not to, not that he wasn't interested, but he recognized that the President wanted the National Security Adviser to report directly to him, and he accepted that. "Mr. McCOLLUM. You, of course, raised the question that even though he didn't, maybe he should have stepped forward a little bit more, at least to talk with you and to be more knowledgeable. You don't think he should have?

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			"Mr. POINDEXTER. Not necessarily." (Poindexter Testim., JHICI, 7/21/87, at 17-20.)
85/12/07-180 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES DoS CHRONOLOGY: "Meeting at White House. GPS, WEINBERGER, and DONALD REGAN argue against arms for Iran. WEINBERGER expresses view that it is illegal. MCFARLANE, POINDEXTER, and the PRESIDENT speak in favor of the policy. The PRESIDENT supports going ahead, emphasizing importance of obtaining release of the hostages. "POINDEXTER proposes that MCFARLANE tell Iranians that, if they release hostages without any arms, the U.S. will then work towards a better relationship. If MCFARLANE is turned down, he would be authorized to ask Britain to 'pick up the sale.' GPS objects to the latter aspect of POINDEXTER's proposal, says this would be the same misguided policy. Meeting concludes with decision that MCFARLANE meet Iranians to seek hostage release without arms dimension. In aside after the meeting, POINDEXTER tells GPS that the deal had fallen apart around Thanksgiving, and he advised the PRESIDENT to disengage, but the PRESIDENT said no." (JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 85/12/10-300.)
85/12/07-182 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES SHULTZ ACCOUNT: "Mr. BELNICK. On December 7, there was a

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			meeting at the White House, and you have alluded to that meeting earlier, at which senior officials were present: You, Secretary Weinberger, Donald Regan, Admiral Poindexter, and, of course, the President, in which the subject was the Iran Initiative and the proposed dealings with Iran. "You spoke at that meeting, and, as I understand from your notes and prior testimony, expressed forceful opposition to the proposed policy? "Secretary SHULTZ. That is correct, and just as forceful was Secretary Weinberger. "Mr. BELNICK. . . . Tell us whether [Ex. GPS 16] is a copy of the talking points which you prepared for the December 7 meeting and whether those points are a fair summary of the arguments you made against the Iran Initiative to the President and others at that meeting? "Secretary SHULTZ. These were the talking points that I had and I worked from. In the flow of a meeting, you try to make your points as effectively as you can, and so I used these as a basis for my comments. "Mr. BELNICK. Who spoke in favor of the policy at that meeting? "Secretary SHULTZ. Well, I felt that Don Regan shared the view of Secretary Weinberger and [me], and Mr. McMahon, who was representing the CIA, seemed to be, as I recall, rather passive. He didn't seem to push one way or the other, but I may not be remembering that just right. "Mr. McFarlane and Admiral Poindexter seemed to be more pro doing this. The President, I felt,

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			was somewhat on the fence but rather annoyed at me and Secretary Weinberger because I felt that he sort of--he was very concerned about the hostages, as well as very much interested in the Iran Initiative. "So it was a very vigorous discussion, and it took place in the family quarters in a rather informal kind of setting, and I think Secretary Weinberger started off by saying something like, 'Are you really interested in my opinion?' And then the President said, 'Yes.' And so he gave it to him. So did I. "Mr. BELNICK. Was the President fully engaged in this conversation? "Secretary SHULTZ. Oh, yes. This idea that the President just sits around not paying attention, I don't know where anybody gets that idea. He is a very strong and decisive person. "Mr. BELNICK. Was he a strong proponent of the proposed policy at that meeting against your opposition and that of Secretary Weinberger? "Secretary SHULTZ. Well, I don't remember that he sort of argued with us. He listened, and you could feel his sense of frustration. He said at one time--because Cap is a particularly good lawyer--he said, 'There are legal problems here, Mr. President, in addition to all of the policy problems.['] "You know how people get sometimes when they are frustrated. He said, 'Well, the American people will never forgive me if I fail to get these hostages out over this legal question['] or something like that.[]

"And Secretary Weinberger-- 'but', he said, 'visiting hours are Thursday', or some such statement.

"So there was that kind of banter. I know people have looked at those notes and wondered if the President was advocating violating the law, and there was no such tone to that at all. It was the kind of statement that I'm sure we all make sometimes when we are frustrated.

"Mr. BELNICK. Where did you understand that the matter stood when that meeting ended on December 7?

"Secretary SHULTZ. Well, I wasn't sure. But I felt that between Secretary Weinberger and [me], we had made a real dent and that with the--Don Regan seeing it the same way, we having talked through various aspects of what might be done, that perhaps we had won that argument. And, in fact, I think it turned out that way, because Mr. McFarlane was dispatched to London to talk to his contacts about a different kind of relationship to get our hostages out, but no arms; so that was the right way to put it, I thought it. I was very much in favor of doing that.

"But he got nowhere with that, which wasn't surprising."

(Shultz Testim., JHICI, 7/23/87, at 77-80. See id., 7/24/87, at 197 [Shultz on his opposition to the Iran Initiative during 1985-86: "I tried to be as forceful as possible. But I didn't make a sale."].)

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DECEMBER 7, 1985			REGAN ACCOUNT: "Mr. SMILJANICH. After returning from Geneva, a meeting of the senior advisers of the President was held on December 7, 1985; do you recall that meeting? "Mr. REGAN. Yes, I do. "Mr. SMILJANICH. Before we get to that meeting, just briefly, Admiral Poindexter has testified that the President signed a finding, a Presidential covert action finding, on December 5 which had been prepared by the CIA. Now, your records reflect that you were present at the December 5 daily briefing that . . . Admiral Poindexter had with the President. "Do you have any recollection of the President signing a finding on that day? "Mr. REGAN. Absolutely none. I do not know anything about that finding or I don't recall the President signing it. I don't recall it going through the normal paperwork flow. I know nothing of that finding. "I have racked my brains since I've read about it in the press, that you have had testimony to that effect. I've checked with my members of the staff, the White House staff who were working with me at that time, as to whether they remember it. No one can remember seeing that document. "Mr. SMILJANICH. But you've already described a procedure whereby material could be presented to the President by the National Security Adviser without you even being aware of it? "Mr. REGAN. That is possible. I'm not saying it did not happen. That's possible. But I

certainly did not see that document.

"Mr. SMILJANICH. And on occasions, although you can't say of course that it happened with regard to this finding, on occasions, the President was in effect presented with material that didn't pass through you?

"Mr. REGAN. That's correct.

"Mr. SMILJANICH. At the meeting of December 7, 1985, Secretary Shultz, Secretary Weinberger, and you opposed the idea of going forward any further with this matter.

"What were your objections to it at that time?

"Mr. REGAN. There's an old Wall Street expression that I use, 'cut your losses.' We had taken a chance here. We thought it was an endeavor that was worth exploring. We weren't getting anywhere.

"Five or six months had passed. It didn't look like it was going anywhere. Why bother? Cut your losses and get out.

"Mr. SMILJANICH. In other words, would it be fair to say they were practical objections to the fact that it just wasn't succeeding?

"Mr. REGAN. That's right.

"Mr. SMILJANICH. What was the President's view during that session?

"Mr. REGAN. I think he was disappointed that there was no success, that we weren't able to open up any dialogue with Iran. I know that he still wanted something, but he said, well, I think our compromise was that McFarlane would go to London, talk to those Iranian representatives and tell them that we were getting nowhere, and cut the

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			thing off. And let it go at that and see what else would happen." (Regan Testim., JHICI, 7/30/87, at 33-36. See id., 7/31/87, at 57-58 [the 12/7/85 meeting].)
85/12/07-201 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES REGAN ACCOUNT: "Mr. COHEN. I just want to clarify one point about your view in December, December 7th. "I think there has been some conflicting testimony--you can clarify it for the record--but when you testified before the House Select Committee you indicated that you were opposed to the proposal and the words you used were the thing had been a fiasco up to that point and had not worked. "'We are dealing with some very unusual people fooling around for the better part of six months with very little result to show for it.' "Before the Tower Board: 'December 7th: I won't deny it, I won't say I favored it. I favored keeping the channel open, if necessary, to selling a modest amount of arms and so forth.' "Then you had a chance to refresh your recollection by looking at the President's notes? "Mr. REGAN. The President told me--I did look at his notes. "The President told me when he was digging out his notes for the Tower Board, he said I came across the fact that George[,] Cap[] and you, Don, were opposed to this. "Then later George Shultz told me the same thing, that his notes revealed that I was opposed

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			to it." (Regan Testim., JHICI, 7/30/87 at 120.)
85/12/07-220 DECEMBER 5-7, 1985			WHITE HOUSE MEETING, 12/7/85: DISCUSSION OF A FINDING REGAN ACCOUNT: "Mr. STOKES. You testified yesterday that to your knowledge the President did not know that the CIA was involved in the November 1985 Hawk shipment; is that correct? "Mr. REGAN. That is correct. "Mr. STOKES. If he did not know, do you believe that he would have or should have signed a finding retroactively approving something he did not know anything about at the time? "Mr. REGAN. Well, as I said, I still am a little bit imprecise about that finding; A, that there was a finding; B, that he signed it. "There is no such document. There is a draft document, I know, but I have never seen the final document with his signature on it. And I am unable to state whether he should have done it retroactively or not. "You know the curious thing about that, Mr. Stokes, is that we had quite a conversation on December 7th in the quarters among the leading players in this affair, and there was discussion of a finding, and operating under a finding, and yet no one at that meeting brought up the subject that the President had already signed the finding. "I find that very curious, that--I have racked my brain about it, I have read the testimony of witnesses before this committee who participated

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			in that meeting and as yet nobody has said that anybody said, whether it was Poindexter, McFarlane or anybody who would have known of the President signing that would have said, hey, we have already got a finding. "Mr. STOKES. I think some of us find that testimony rather curious, also. "Mr. REGAN. I am at a loss on that one." (Regan Testim., JHICI, 7/31/87, at 15-16.)
85/12/07-250 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES WEINBERGER ACCOUNT, Part 1: "Mr. EGGLESTON. . . . [T]ell us what occurred . . . [at] this meeting on December 7, who was there, what it was, and what the issues were. "Secretary WEINBERGER. I think this meeting was in the White House in the Oval Office, I believe, and it could have been upstairs in the residence, I am just not quite sure at the moment, but the President was there, the Vice President, the Secretary of State, Mr. McFarlane, I believe, was there. And the general discussion was now more specific than it had been in August, and it was about a specific plan to transfer some weapons to the Iranians and why this would produce a good result. "There was much more discussion of hostages at this time but there was also discussion of how important it was to have an opening to Iran. And I made very strong objection to the whole idea as did the Secretary of State. "Mr. EGGLESTON. Now, do you recall any of the specific objections that you made to the plan?

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			"Secretary WEINBERGER. Oh, yes. I ran through a whole group and raised every point that occurred to me, including the fact that we were at the same time asking other countries not to make sales of weapons to Iran, that there was no one of any reliability or, indeed, any sense with whom we could deal in Iran and the government, and that we would not have any bargain carried out, that if we were trying to help get hostages released, why there would be a real worry that the matter would not be held in any way confidential, that we would be subjected to blackmail, so to speak, by people who did know it in Iran and elsewhere, and that we had no interest whatsoever in helping Iran in any military way, even a minor way, and that in every way it was a policy that we should not engage in and most likely would not be successful. "Mr. EGGLESTON. Secretary Shultz has described your opposition at that meeting as quite forceful. Is that a fair characterization? "Secretary WEINBERGER. Well, I am afraid I argue that way about almost everything. I am told so, yes. But I think that is entirely a fair description, perhaps an understatement. "Mr. EGGLESTON. Did you make any arguments about the effect of this on Operation Staunch? "Secretary WEINBERGER. Oh, yes, yes. I pointed out that we were--in fact, I think I quite recently returned from a trip in the course of which, as I did in all of the countries thatrefused to supply them and if it came out we were supplying weapons to Iran, Jordan's mortal enemy, it would be a very damaging thing to us,

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			that Saudi Arabia had a justified fear of Iran because of the type of leadership that was prevalent in Iran and Iran's geographical position and that this would hurt us with countries with whom we needed to have friendly relationships." (Weinberger Testim., JHICI, 7/31/87 at 100-02.)
85/12/07-251 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: IRANIAN ARMS SALES WEINBERGER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. EGGLESTON. A moment ago you indicated one of the arguments that you had made was the possibility that the United States would be blackmailed. What do you mean by that? "Secretary WEINBERGER. Well, that people would say, unless you do thus and so forth or unless you continue to send us more weapons or unless you take various policy positions, we will take steps to have this matter become public and that that would put us in an extremely difficult position that we were subjecting ourselves to that by, or would be if we engaged in a policy of this kind. "Mr. EGGLESTON. Do you recall making a legal argument as well? "Secretary WEINBERGER. Oh, I am sure I raised various legal points that some of the ways in which it would be done would not be legal, that is to say, first of all, we had full embargo against Iran at that time, I think still do, with respect to arms, that if we--any other--any country to whom we sold arms were under the same rules. [Sic.]

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"First of all, they had to agree they wouldn't re-export to anybody else and, secondly, they had to agree they would only be used for defensive purposes, self-defense purposes and that there was no way in which this kind of a transfer could be made if that particular act governed.

"Mr. EGGLESTON. So your legal analysis led you to conclude you could not sell directly from the Department of Defense to--

"Secretary WEINBERGER. Not under the Arms Export Control Act.

"Mr. EGGLESTON. You couldn't do it to Iran and you also couldn't do it through Iran?

"Secretary WEINBERGER. You couldn't do it through any other country because you would have a situation in which the required certificates would not be possible, that is, they were self-defense only or would only be re-exported with our permission if you used the Arms Export Control Act.

"Mr. EGGLESTON. Do you recall who at the meeting, if anyone, was in favor of going ahead with this proposal?

"Secretary WEINBERGER. Well, I still had the impression that Mr. McFarlane favored the transaction and I don't know of anybody else who was specifically in favor of it.

"Mr. EGGLESTON. Do you recall what the President's reaction was?

"Secretary WEINBERGER. My impression of the President's reaction was that he was against it and had come down--had decided not to do it. In fact, when I got back to the Department, I told

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			General Powell I believe this baby had been strangled in its cradle, that it was finished. That was the strong impression I had from his comments. "As I remember, he indicated again a desire, everyone shared, to have--first of all, a feeling that Iran was strategically located and a geographically important country, that we had a good relationship with it under the Shah, that it would be very helpful to have that again, but we couldn't get it with this present government and that that was unfortunate we couldn't, therefore, have much hope of getting the hostages back, which the President was very concerned, of course, about the hostages. [Sic.] "He is a very compassionate, humane man and that was a source of great distress to him. But my strong impression was at the end of this meeting that the conclusion had been reached we couldn't do this." (Weinberger Testim., JHICI, 7/31/87, at 102-05. See Weinberger, House Dep., 6/17/87, at 14-20, 29-41.)
85/12/07-252 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85: DISCUSSION OF A FINDING WEINBERGER ACCOUNT: [Continuing from preceding entry:] "Mr. EGGLESTON. Mr. Secretary, let me just ask you about whether a couple of things were discussed to your recollection at this meeting. Was the November 1985 Hawk shipment discussed? "Secretary WEINBERGER. No, I don't believe

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			so. I didn't know about that at that time, didn't know about it until much later. "Mr. EGGLESTON. Do you think if it had been discussed, you would remember it? "Secretary WEINBERGER. I think so, yes. I am not entirely sure. My memory is not as good as I hoped it once was, but I don't have any memory of that at this point. "Mr. EGGLESTON. And the other matter we have heard from Admiral Poindexter on or about December 5, 1985, the President had signed a finding with regard to that November shipment, which would have been just two days before this meeting. Was there any discussion of that at this meeting? "Secretary WEINBERGER. No. "Mr. EGGLESTON. Mr. McFarlane in testifying about this meeting, in front of this committee about this meeting, testified that after the meeting there was a decision about him going to meet Ghorbanifar in London. Do you recall that being discussed at the meeting? "Secretary WEINBERGER. I don't, no. I have read since a great deal about it but I don't have any memory at that meeting that was discussed. "Mr. EGGLESTON. And Mr. McFarlane has also testified indeed he did go the next day or two, met with Ghorbanifar and came back, there was an additional meeting on December 10 where he reported to the President on his meeting, his disappointing meeting with Mr. Ghorbanifar. Do you recall whether you were at that meeting? "Secretary WEINBERGER. I don't recall that. I may have been. I don't have any specific memory

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			of it. Mr. McFarlane met with the President every day several times a day, and the meetings that we have been discussing that I did attend were larger meetings and called in advance and so on. It is conceivable, but I just don't have a memory of it at the moment. "Mr. EGGLESTON. So, sir, by December of 1985, to your mind this issue had be[e]n raised twice, once in August of 1985, summer of 1985, and again in December of 1985, and you thought each time you had strangled the baby in its crib. "Secretary WEINBERGER. We thought the arguments against it had prevailed and that that was the end of it." (Weinberger Testim., JHICI, 7/31/87, at 105-07.)
85/12/07-300 DECEMBER 7, 1985			WHITE HOUSE MEETING, 12/7/85, AND THE 12/5/85 FINDING McFARLANE ACCOUNT: McFarlane testified further about the collapse of the November arms and hostages arrangements, the NSC meeting on Dec. 7, and also the finding unsuccessfully pushed by the CIA: "Mr. NIELDS. And there came a time thereafter when you had a meeting . . . on December the 7th with members of that security council in which the general subject of arms and hostages was discussed? "Mr. MCFARLANE. Yes, sir, that is right. "Mr. NIELDS. And Iran? "Mr. MCFARLANE. Yes. "Mr. NIELDS. And then you went to . . . London?

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			"Mr. MCFARLANE. Yes. "Mr. NIELDS. And in London you met Mr. Ghorbanifar? "Mr. MCFARLANE. That is correct. "Mr. NIELDS. . . . [I]sn't it true that one of the things that he said was that the wrong kind of Hawk missiles had been delivered to Iran in November? "Mr. MCFARLANE. Yes. ". . . . "Mr. NIELDS. Now, was there any discussion of a finding in connection with the November 1985 shipment? "Mr. MCFARLANE. I have learned that there was . . . . "Mr. NIELDS. I want to get at whether you were aware at the time of any discussion about a finding[.] "Mr. MCFARLANE. I really don't think that I was [see 86/11/21-446] but I accept that it seems to me probable that at that December 7th meeting if the CIA was represented, and I think it was, that they would have been concerned and probably have taken that opportunity with the President present to say so, but I truly don't remember that occurring. ". . . . "Mr. NIELDS. Now, the information that we have . . . is that the CIA kept calling on the telephone following the 26th of November inquiring whether the finding had been signed, and they kept being told that it had not yet been signed, and they were told that until December the 5th.

". . . .

"Mr. NIELDS. So, you are saying that you did not handle the draft finding yourself.

"Mr. MCFARLANE. No.

"Mr. NIELDS. And you are saying that your deputy [Adm. Poindexter] never mentioned it to you when you got gack to town on the 2nd, 3rd and 4th of December?

"Mr. MCFARLANE. I say I don't him recall [sic] mentioning it to me. I don't.

"Mr. NIELDS. There is a bit of a problem with this finding, it there not, Mr. McFarlane? Referring to the short description, it only talks about arms and hostages, doesn't it?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. Doesn't say anything about broader initiatives.

"Mr. MCFARLANE. Um-hum.

"Mr. NIELDS. Did you have discussions either in November or December of 1985 or any later time with Admiral Poindexter or anyone else about this finding?

"Mr. MCFARLANE. No, I don't believe I did. And I say that because since you have pointed it out, that would have jumped out as something that wasn't consistent with my own motives in the Iran business, and frankly, the reason why I urged that it be discontinued in December, but I think that would have stood out in my memory, if it had come up between myself and the Admiral."
(McFarlane Testim., JHICI, 5/12/87, at 53-60. See 86/11/21-446 [further McFarlane testimony on his unawareness of the 12/5/85 Finding].)

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85/12/07-400 FROM DECEMBER 7, 1985 THROUGH JANUARY 1986			THE IRAN INITIATIVE: AFTER THE 12/7/85 MEETING POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Admiral, when you asked Oliver North to prepare the new Finding in the beginning of January after you met with Nir, did you give him any instructions to leave out any reference to hostages? "A. No, I don't recall that. "Q. The reason I ask you this -- "A. In fact, I told him to begin working on a new Finding actually in early December. "Q. Before or after his trip to London [on 12/8/85]? "A. That I can't be sure of -- probably after. "Q. The first work that was done on the new Finding, I will tell you, began on January 2, 1986, which is when Nir visits you. Does that refresh your recollection as to when your instructions were given to him? "A. No, because I think that there was preliminary work done in December, because the reason I believe that is that after the 7 December meeting, which to my recollection was the first meeting I had an opportunity to hear in detail Secretary Shultz and Secretary Weinberger raise their objections, they made such a big issue of the illegality of it that I'm relatively certain later after that, but yet in early December, I asked Colonel North to talk to the Attorney

General or his people about that problem, because clearly if it were illegal we couldn't go ahead with it.

"Q. And if it were illegal you had a problem in terms of those September shipments?

"A. I can't say that that --

"Q. That that occurred to you?

"A. That occurred to me at the time.

"Q. That was before your watch anyway.

"A. Well, I just don't recall thinking about that. I tend to look toward the future.

"Q. In the discussions that took place at the December 7 meeting was there any reference made to the fact that we had done it already in September and in November?

"A. I can't remember that.

"Q. Do you remember that meeting as being a forward-looking meeting -- should we go ahead with the new Israeli plan?

"A. That's correct. And let me make one other point clear. It wasn't clear to me that what Secretary Shultz and Secretary Weinberger were saying was correct.

"Q. You are not a lawyer; I understand that.

"A. No.

"Q. And the Attorney General was not at the meeting on December 7, was he?

"A. He was not. In hindsight --

"Q. In hindsight what?

"A. It would have been helpful if he had been there.

"Q. But let me stop at December 7. December 7 the decision that was made was to let McFarlane

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			go to London, correct? "A. That is right. "Q. And there was not a decision made on December 7 to sell more arms to Iran; correct? "A. That is correct." (Poindexter, Senate Dep., 6/18/87, at 398-400.)
85/12/07-401 FROM DECEMBER 7, 1985 THROUGH JANUARY 1986			THE IRAN INITIATIVE: AFTER THE 12/7/85 MEETING POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. And by the time any further shipment was made to Iran the Attorney General of the United States had been consulted? "A. That's correct. "Q. And he indeed had reviewed the plan that ultimately was implemented, correct? "A. That's right. "Q. And he had given his blessing to it, right? "A. That's correct. "Q. And the Secretary of Defense had voiced his own objections, correct? "A. That's right. "Q. And do you remember at the meeting that was had in the White House on January 16 that the Secretary of Defense said that he wanted to talk to counsel for the Department before signing off? "A. I don't recall that. "Q. Do you remember him ever saying that he was going to speak to his own lawyers in the Department of Defense? "MR. BECKLER: Let me raise an objection at

this time. . . .

". . . .[Discussion about objection.]

"Q. Now, Admiral, I'm just asking you, you understand, whether you recall that the Secretary of Defense at that meeting or any other meeting said that he was seeking counsel from his own Department before signing off on the January 17 Finding.

"A. I simply don't recall. I'm sorry.

"Q. Now you testified a moment ago that you never instructed North to omit from the proposed new Finding reference to hostages; is that correct?

"A. That's correct to the best of my knowledge.

"Q. But you wanted a Finding that would have objectives other than just plain arms for hostages; is that correct?

"A. That is correct, because --

"Q. Did you give him the objectives to be put in the Finding or did he define those objectives based on discussions with you?

"A. My recollection is that they were based on discussions with me and I probably did not provide the detailed objectives that finally wound up in the draft of the Finding, but I wanted to make it clear that our major objective was a strategic opening to Iran."
(Poindexter, Senate Dep., 6/18/87, at 400-04.)

85/12/07-701
1985-86

MODERATE IRANIANS, GENERALLY
McFARLANE ACCOUNT:

"Mr. HATCH. . . . Was opening a channel to

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			the Iranian moderates one of your objectives? "Mr. MCFARLANE. Yes, sir. "Mr. HATCH. I might mention for those who don't think that was a reasonable objective because there are no moderates, they say, in Iran, there were people in Iran who believed that Iran's long-term best interests were not being served by the support of terrorism; isn't that correct? "Mr. MCFARLANE. Yes, it is. "Mr. HATCH. That by any definition is a moderate regardless of what the revolutionary attitudes were; is that right? "Mr. MCFARLANE. I agree." (McFarlane Testim., JHICI, 5/13/87, at 161-62.)
85/12/07-703 1985-86			MODERATE IRANIANS, GENERALLY SPORKIN ACCOUNT: Stanley Sporkin, former general counsel of the CIA, was questioned about moderate Iranians within the context of the December 5, 1985 Finding: "Mr. WOODCOCK. This Finding provides that the foreign materiel and munitions which we discussed earlier were to be provided to the Government of Iran; is that correct? "Mr. SPORKIN. That is correct. "Mr. WOODCOCK. And that is the Government of Iran as opposed to, say, moderates within the Government of Iran or non-governmental figures within Iran, is that correct? "Mr. SPORKIN. Well, I guess I went right to the heart of it and said the Government of Iran, even using the words you are going to use eventually, it is going to get to the Government

of Iran.

"Mr. WOODCOCK. You didn't provide for Iranian intermediaries in here. These arms are going to the Government of Iran. That's well understood, is that correct?

"Mr. SPORKIN. This is a Finding that was designed to get to what I believed was the heart of the problem. I don't think I want to gain, you are going to see me accepting the responsibility where I'm responsiblity [sic], and I've always done that and I'm going to continue to do that. This is Sporkin's interpretation of what this was all about.

"Mr. WOODCOCK. And it was your interpretation based upon the information you had been given, is that correct?

"Mr. SPORKIN. That is correct.

"Mr. WOODCOCK. No one ever came back to you and said you were wrong, is that right?

"Mr. SPORKIN. No one said I was wrong and that's my interpretation of what it was. But nobody said this is what it was. This is the way I put it together."

(Sporkin Testim., JHICI, 6/24/87, at 35-37; JHICI Ex. SS 4 [12/5/85 Finding]. See Sporkin Testim., JHICI, 6/24/87, at 143-45. On the 12/5/85 Finding, see entries starting at 85/12/05-020.)

85/12/07-705
JULY 17, 1987

MODERATE OR PRAGMATIC IRANIANS, GENERALLY
POINDEXTER ACCOUNT:

"Mr. HYDE. . . . Now let's talk about moderate Iranians. That is a great joke around town. They say the only moderate Iranian is

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			someone who has run out of ammunition. "Are there moderate Iranians? "Mr. POINDEXTER. I think probably a more accurate term is 'pragmatic Iranians.' There are Iranians that believe that the course of the government in Iran over the past few years cannot be in Iran's long-term interest, that eventually they need to come back to the West in terms of establishing a more constructive relationship." (Poindexter Testim., JHICI, 7/17/87, at 195.)
85/12/07-707 1985-86			MODERATE OR PRAGMATIC IRANIANS, GENERALLY POINDEXTER ACCOUNT: "Mr. JENKINS. . . . [T]he first impression that I gained was that we were trying to deal with moderates, but the facts are, of course, that the weapons didn't go to the moderates; they went to the radicals, didn't they? "Mr. POINDEXTER. I don't think that is entirely clear, Mr. Jenkins. "Mr. JENKINS. Well, who[m] did the weapons go to? "Mr. POINDEXTER. I would--sometimes I may have used the term moderate. I have tried hard to stick to the word pragmatic. I think that is a more accurate description of the faction that we were trying to deal with. "I don't think that we can be certain as to exactly who in the Iranian government received the weapons, but our belief was that they were going to elements that were supportive of the pragmatic leaders that we were trying to get to. "And just as an example of that--I'm not sure

this has come out, but it has to do with another country in the area which we asked the Iranians to help. Has that come out?

"Chairman HAMILTON. Admiral, I think it has not come out and I would suggest that you reserve that for executive session, if you would, please.

"Mr. JENKINS. And I don't want to tread on any question that maybe might ought to be taken up in executive session, but maybe I could simply ask, am I incorrect that the 4000 TOWs that were contemplated were not to go to the Government of Iran? The government officials?

"Mr. POINDEXTER. Oh, certainly they were.

"Mr. JENKINS. Well, aren't they the radical--

"Mr. POINDEXTER. No, not at all. There are some radicals, and there are some pragmatic elements and there is a third element that our intelligence experts have categorized as conservative; but it is no different--well, I shouldn't say that. It is obviously very different from other countries. It is a revolutionary government, but there is a mixture, a spectrum of beliefs held by the various members of that government.

"Mr. JENKINS. I understand that, that there are different elements within the country.

"Mr. POINDEXTER. Everyone within the government, Mr. Jenkins.

"Mr. JENKINS. Would you assume that the leader of Iran knew that we were getting--they were getting TOWs from us?

"Mr. POINDEXTER. I don't think that it was ever totally clear to us exactly what Ayatollah

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			Khomeini knew or didn't know about this. We were told that he was aware of the contact." (Poindexter Testim., JHICI, 7/21/87, at 115-18.)
85/12/07-710 1985-86			MODERATE OR PRAGMATIC IRANIANS, GENERALLY NORTH ACCOUNT: "Mr. MITCHELL. . . . You have testified that the Iranians with whom you dealt in both what have been called the first and the second channels included officials of the Government of Iran; am I correct in that? "Mr. NORTH. Yes. "Mr. MITCHELL. Now, you and the other persons meeting with the President on this matter were aware, weren't you, that the President had been highly critical of the Iranian Government. In a widely reported speech in July of 1985--just a month before the first shipment of arms from Israel to Iran--which the President agreed to--the President described Iran as an outlaw state run by the strangest collection of misfits, lunatics and squalid criminals since the advent of the Third Reich. "To your recollection, during the meetings you attended with the President, with others, did anyone in your presence specifically point out to him that his representatives were dealing with officials of that same Government of Iran, point out that statement to him, and point out at least the apparent[] inconsistency in the two and the problems that might cause for him? "Mr. NORTH. That particular issue was not addressed in the meetings that I attended with the

President on this matter. But what I think is important is that we clearly attempted to establish contact and ultimately the objective of a strategic dialogue with pragmatic or moderate or less unreasonable elements of the Iranian Government; and even, if we could have, people who were willing to bring about a cessation of terrorism, a more pro-Western view of the world, an end of Shiah-sponsored revolutionary fundamentalism, and ultimately secure the relationship between the United States and Iran to the point where we could bring about an end to the Iran-Iraq war.

"The characterization of the Iranian Government I don't take any issue with; but the fact is that there are people in their government of differing political philosophies who see the long-term benefit to their country as well as to the rest of the world in achieving the kinds of things that we set out to ultimately achieve.

"The problem that is created is matching one set of words with another set of policy goals that were not publicly stated. And yet, I see nothing inconsistent with the fact that the characterization of the Iranian Government as the President made it vividly clear does not in any way prevent trying to establish contact with a more reasonable channel within it."
(North Testim., JHICI, 7/13/87, at 4-6.)

85/12/07-715
1985-86

MODERATE IRANIANS, GENERALLY
SECORD ACCOUNT:
"Mr. CHENEY. . . . [T]here has been a lot of

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			debate subsequent to the disclosure of the operation about the impossibility of finding any moderates in Iran. I have always found that a little hard to believe, that everybody in Iran suddenly went from being--at least some of them--friendly to the United States. Would you comment generally on that proposition? "Mr. SECORD. It was my view, and the view of my colleagues, that there are pragmatic factions in the hierarchy of the Government of Iran. Their actions have indicated this. It is common sense to assume that this is the case. "There is a great body, I believe, of good will still in the minds of the Iranian people. Iranians always liked Americans. At least that was my impression in general. There are a lot of radicals, no question. They gained ascendancy. They exploited us, dubbed us the great satan, embarrassed us, and I don't condone that. I am absolutely upset by that, and have been for a long time. "But there are still nonetheless, in my judgment, pragmatic people, men in the hierarchy, and these were the men with whom we were seeking to establish contact, and it was [with] this group that we did establish contact. "Mr. CHENEY. So in your judgment, it was not a completely fallacious notion that there might be the possibility of somehow improving United States-Iranian relations through these transactions? "Mr. SECORD. That is right." (Secord Testim., JHICI, 5/8/87, at 7-8.)

85/12/07-725
1985-86

MODERATE IRANIANS, GENERALLY
SHULTZ ACCOUNT:

Secretary Shultz responded to questions about the points negotiated with the Iranians at Frankfurt by North and Hakim in October 1986 [see entries starting at 86/10/08-150]:

"Mr. RUDMAN. . . . [North's] notes say, 'What must be done for us to achieve an honorable peace and an honorable peace means that Saddam Husayn must go.' He, of course, is the President of Iraq. Then the two parties will establish a well-defined plan and timetable for the exchange of official intelligence. The United States Government will provide maps and information, deliver 1500 TOWs, paid for by the IRG, which, of course, is the Iranian Revolutionary Guards, which, I might say parenthetically, if they are the moderates, I don't know the meaning of the word moderate. They are Khomeini's loyalists, am I correct, Mr. Secretary?

"Secretary SHULTZ. To my understanding." (Shultz Testim., JHICI, 7/23/87, at 157-59.)

85/12/07-730
1985-86

MODERATE IRANIANS, GENERALLY
WEINBERGER ACCOUNT:

Secretary Weinberger testified on his view of moderate Iranians in the context of the draft NSDD on Iran circulated in July 1985:

"Mr. EGGLESTON. Could you describe for use specifically what you thought was wrong about this NSDD?

"Secretary WEINBERGER. Well, the fact that it

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			discussed the possibility of sending arms to Iran at a time when our efforts were being made all around the world to try to prevent other nations from shipping arms to Iran. I think I said in my response here that under no circumstances should we now ease our restrictions on sales to Iran, attempting to cut off arms while remaining neutral on sales to either belligerent--is one of the few ways we have to protect our longer range interests in both Iran and Iraq. A policy reversal would be seen as inexplicably inconsistent by those nations whom we have urged to refrain from such sales and would likely lead to increased arms sales by them and a possible alteration of the strategic balance in favor of Iran while Khamenei [sic] is still the controlling influence. There were other reasons, of course, too. "I didn't think that the assumptions on which the proposed NSDD w[as] based were valid. I didn't think there were many moderates still alive in Iran, and I thought that it would be not possible to work out an arrangement with the present government there, and I still think that is correct. "Mr. EGGLESTON. I take it then, Mr. Secretary that you rejected both the assumptions and conclusions out of this draft NSDD? "Secretary WEINBERGER. Yes." (Weinberger Testim., JHICI, 7/31/87, at 87-88. On the draft NSDD, see above at 85/06/17-000 and -100, and 85/06/29-100 and -101.)
85/12/07-732			MODERATE IRANIANS, GENERALLY

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1985-86			WEINBERGER ACCOUNT: "Secretary WEINBERGER. I did add a word in my comment [on the draft NSDD] to the effect it would be good if we could get a relationship with Iran as we used to have it under the shah. It would be desirable to try to do something like that, but we couldn't do it in this situation. "Mr. ASPIN. Let me ask you why you drew that conclusion. I take it that the opposition of other people, in principle, the Secretary of State, his view was if we could get some, he was not opposed to new initiatives with the Iranian government. He said he opposed the idea of selling arms in order to further that initiative. And that seems to be the general reaction of most people, was that the idea itself was not a bad idea, but that the particulars of it, namely selling arms as part of that, was wrong. "But you are saying you just flat-out did not think that the idea of pursuing any kind of relationship with a moderate element in Iran, that that was not a-- "Secretary WEINBERGER. I didn't think it was a good idea. I didn't think it was possible to do it. I did not think and do not think there is any moderate element in Iran that's still alive, and I think it was not a good idea in any sense of the term. "I would like to have a relationship with a rational government in Iran of the kind we had when the shah was there, because I think geographically and strategically that's a very useful thing. I was, as you say, against the

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			whole idea." (Weinberger Testim., JHICI, 7/31/87, at 167-68.)
85/12/07-734 1985-86			MODERATE IRANIANS, GENERALLY WEINBERGER ACCOUNT: "Mr. COURTER. You indicated in your testimony that you kind of disagreed with Secretary Shultz about moderates in Iran. You thought all of them would have been killed who [sic (or?)] basically were not in existence, and that, therefore, any type of an effort, whether it be through the medium of selling weapons or not for rapprochement with Iran was doomed to failure. It was folly. "I would like to know whether your opinion is that there [are] no pragmatic elements in Iran that may seek and gain influence and power in the near future after the Ayatollah's demise or after he is out of power, pragmatists that may not believe in our form of government or may not love the United States, but pragmatists that recognize the Soviet Union is not far away, pragmatists in Iran that recognize that both the United States and Iran have a common interest in reducing Soviet influence in that part of the world. "Secretary WEINBERGER. Mr. Courter, I think there may well be some people like that. I don't think they are in Government. I don't think they would be allowed to remain in Government, and I have no evidence that there is any organized or substantial, if you like, group of people, certainly no one in power at the moment, who has anything except venomous hatred to the United States and behaves in a thoroughly fanatical or

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			irrational manner as far as the United States is concerned. "I would like to have things differently. I just haven't seen at this point any possibility of any kind of rapprochement or opening to Iran as it is presently constituted. "I think that is very unfortunate, because it is geographically and strategically situated in a way that makes it an extraordinarily important country for both the East and the West. "It was vastly different when we had the kinds of relationship we did with the Shah and we recognized that by by [sic] helping to strengthen the armed forces of Iran. "Sadly, that was all lost and we now have a very difficult situation that I would like to change, but I don't think you are going to change it by the people in office in Iran now or anyone who is presently on the horizon there." (Weinberger Testim., JHICI, 7/31/87, at 254-56.)
85/12/07-740 1985-86			MODERATE IRANIANS, GENERALLY REGAN ACCOUNT: Donald Regan responded to questions about the continued negotiations with the Second Channel into December 1986, after disclosure of the Iranian Initiative and the diversion [see entries starting at 86/12/12-100]: "Mr. SMILJANICH. Now, this is now mid-December 1986. After all of the front page publicity about this matter for over a month, after the public revelations of our prior negotiations with the Ayatollah, after this had

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			been kept from the intelligence committee for well over a year, until they read about it in the papers, after all of that, isn't it correct that the Iranians were still offering to use their influence to get our hostages out of Lebanon? "Mr. REGAN. Yes. "Mr. SMILJANICH. And isn't it correct that the Ayatollah at that point still wanted to get his hands on U.S. weapons? "Mr. REGAN. I don't know about the Ayatollah, but those Iranians there were dickering for more arm[s], yes. "Mr. SMILJANICH. Well, you had no belief that these Iranian moderates were going to shoot their missiles at the Ayatollah, did you? "Mr. REGAN. I had no idea what they were going to do with it. It may not be a bad idea, but go ahead. "Mr. SMILJANICH. You understood the Ayatollah's army was going to use those missiles to kill Iraqis? [T]hat is why Iran wanted these missiles? "Mr. REGAN. They were always referred to by members of the NSC who were advising the President as defensive weapons. They were never characterized as offensive weapons. "Mr. SMILJANICH. Well, the Iraqi soldier who might be on the other end of the TOW missile might not make that distinction, would you agree with that? "Mr. REGAN. That is true, but if [he] is on the offense, he has to expect some defense. "Mr. SMILJANICH. Thank you, Mr Chairman.

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			Those are all the questions I have." (Regan Testim., JHICI, 7/30/87, at 90-91.)
85/12/07-743 1985-86			MODERATE IRANIANS LEDEEN ACCOUNT: While testifying on his contact with Ghorbanifar in 1985 (see 85/07/29-101), Ledeen commented on the term "moderate Iranians": "Well, if I could say something about the question of moderates, Iranian moderates. I do not believe in the existence of Iranian moderates in the sense that one would normally use the word 'moderate.' I do, however, believe -- and I took this to be Mr. Ghorbanifar's meaning -- that there are Iranian leaders who are willing and indeed eager to moderate the behavior of Iran in the world and to influence Iranian policy in a direction that we would consider more moderate than the on that they are pursuing now, and I do believe also that within the Iranian -- current Iranian regime, there are more and less radical people, so there are people who are relatively moderate compared to a very high standard of radicalism, which is Khomeini himself and some of his people. "So with that, Ghorbanifar also stressed -- and I think that it is something that has to be checked out, but it is certainly not to be rejected on the face of it -- that there are some people in Iran who appear to be extremely radical and even fanatic but who, in fact, are wishing for a different kind of government and different kinds of policies which they are secretly prepared to

advance.

"So that it is quite conceivable to me that there are people in Iran who are publicly one thing and privately something quite different. This was one of the things which I thought we should be investigating and one of the reasons why I urged one course of action rather than the one that was ultimately adopted by the United States Government.

"But to answer your question, after all, I would cha[ra]cterize the public positions of the people with whom Mr. Ghorbanifar said he was in contact as mixed. Some of them were among the people who had the most radical reputations; some of them were people who had reputations as being somewhat blander or somewhat less ferocious.

"Q. Were you able to reach a conclusion about whether or not Mr. Ghorbanifar actually had contacts with these individuals?

"A. We were able to establish to our satisfaction that he did have contact because he was able to pick up the phone in Tel Aviv and dial Teheran and talk to these people and talk to them on a first-name basis, where clearly they knew who he was, what he was, what he was doing, and all that.

"This was one of several occasions on which he would make such calls with Nimrodi on the extension, listening.

"Q. Was it -- was Mr. Ghorbanifar in the posture or did he inform you that he had been sent by the Iranians or was he more in the posture of someone who was trying to bring two sides together?

"A. It was rather between those two positions and the impression was of a person who was acting with the knowledge of people in Teheran who either -- depending upon what sort of emphasis you want to give it -- either approved of what he was doing or were willing to let him try, but that in any case, they were interested in obtaining the same results as he was attempting to obtain, namely an improvement in the relationship between the two countries leading to a moderation of the behavior of Iran. That was the bottom line.

"Q. Was there any discussion in these conversations about whether or not Iran had control of the hostages?

"A. Yes, there was.

"Q. What did he tell you about it?

"A. He told us that he believed Iran had considerable control for the hostages and that they could, in fact, effect the release of the hostages."

(Ledeen, House Dep., 3/11/87, at 41-44. See id. at 139-43 ["They are just not moderate, no matter how you slice it."] See Ledeen, Senate Dep., 6/19/87, at 15, 18.)

85/12/07-750
JULY 29, 1986

NOT MODERATE IRANIANS: "WE ARE DEALING WITH THE MOST RADICAL ELEMENTS"

FULLER MEMO:

On July 29, 1986, Amiram Nir briefs Vice President Bush in Jerusalem on the Iran Initiative (see 86/07/29-300 through -302). In a memo recording the conversation, the Vice President's

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			Chief of Staff Craig Fuller writes that Nir "reviewed what had been learned which was essentially that the radical group was the group that could deliver." Later in the memo, Fuller quotes further Nir's description of the Iranian contacts: "Nir described some of the lessons learned: 'we are dealing with the most radical elements. The Deputy Prime Minister is an emissary. They can deliver . . . [ellipsis in original] that's for sure. They were called yesterday and thanked and today more phone calls. This is good because we've learned they can deliver and the moderates can't. We should think about diversity and establish other contacts with other factions. We have started to establish contact with some success and now more success is expected since if these groups feel if the extremes are in contact with us then it is less risky for the other groups--nothing operational is being done . . . [ellipsis in original] this is contact only.'" (Fuller memo, "Vice President's Meeting with Mr. Nir," 7/29/86 [Committee Document N 2560 through 2562]; Tower, at B-145 to -147. See Iran-Contra Report, at 247-48. See 86/07/29-313, -314 [Fuller testimony on the Iranian groups involved in the Iran Initiative].)
85/12/07-760 1985-86			IRANIAN RECIPIENTS OF THE ARMS SHIPMENTS CASEY ACCOUNT: "Mr. Ackerman. The arms that you delivered, who[m] did you deliver them to? "Mr. Casey. Damned if I know.

"Mr. Ackerman. Did you check the bill of lading?

"Mr. McCullough. We delivered them to Kelly Air Force Base, and they were transported by a private contractor on two of the shipments.

"If I am not mistaken, the third shipment was carried by a U.S. military airplane.

"Mr. Ackerman. Did you -- do we know who[m] they were directed to?

"Mr. McCullough. Yes, they were directed to Iran.

"Mr. Ackerman. Just Iran. That was the -- anybody with that last name could have picked it up?

"Mr. McCullough. The Iranian side in the negotiations that were taking place in the National Security Council, the team involved on the Iranian side.

"Mr. Ackerman. Is there anybody who knows who specifically by name or by address was the recipient of these millions of dollars worth of arms?

"Mr. Jameson. In Iran or elsewhere? What would happen on a couple of those flights, the agency would deliver them to Kelly Air Force Base where they were picked up by private contractors. It is our understanding that General Secord had some involvement in arranging for that transportation out of Kelly Air Force Base into Israel.

"What happened after that, the agency doesn't know. On one flight, the agency, rather than contract out, made the arrangement itself. An Air

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			Force airplane, I believe, carried it from Kelly Air Force Base into Europe from where it was picked up by an agency proprietary which made the flight into Tel Aviv. "That was delivered to the Israelis, because it was that shipment which did not go on to Iran. ". . . . "Mr. Ackerman. I find it very difficult to comprehend that, and some of my colleagues, how with all this going on you don't even know who[m] this was delivered to and didn't even know that you were delivering arms to begin with. "I know that when I go through the airport and walk through the machine, they could tell me what color my underwear was, and if I had too many paper clips, and the CIA can't make a determination that they are delivering bombs or oil rigs. "Mr. Jameson. With respect to the November flight, people at headquarters weren't able to determine that they were missiles, but as soon as the plane was being loaded, the people on the ground -- "Mr. Ackerman. Don't you stop it at that point if something is wrong? "Mr. Jameson. With respect to the second question, from the agency's perspective, if this had been a CIA operation run, handled, controlled, and managed by the agency, I suspect the agency would have known and might have done things operationally different. "However, this was not a CIA operation. It was being run by the NSC. We were facilitiating

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			intermediaries and providing support rather than running a managerial function." (Casey Testim., HFAC, 12/10/86, at 186-88.)
85/12/07-770 1985-86			MODERATE OR PRAGMATIC IRANIANS, GENERALLY GEORGE VIEW: "Mr. Courter. Based on CIA's intelligence, do you take the Shultz view, that there are pragmatists in Iran, or the Weinberger view that they are all killed? "Mr. George. Well, they were certainly not all killed. The generalization, are there any pragmatists in Iran -- does anybody play the piano in the Fiji Islands -- yes, somewhere. I am not sure that is what you are looking for. What you are looking for is someone who -- with whom you can open a dialogue and talk to them about the possibility of meeting common accommodation on overall international affairs and political problems. "With all the hell that we have been through since last November, and I am some guy in the CIA, I think there are people you could talk to, if you could get to them. There are people whose interests are not to continue the way it is going, and I think the second channel, which is the way it has been de[s]cribed to this committee and to the public, this was after Ghorbanifar got thrown out, and we got in touch with [redacted] if this hadn't happened and we broke off, [redacted.] We shouldn't all sit around and say he is a moderate or democrat or good guy or socialist, or whatever, what can he do for us?"

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			(George Testim., JHICI, 8/6/87, at 84-85.)
85/12/08-100 DECEMBER 8, 1985		CONTRA RADIOS AND DoS SOLICITATION: CONGRESSIONAL AUTHORIZATION DoS CHRONOLOGY: "Congress expressly confirms State Department's authority to solicit humanitarian assistance from third countries. Congress also appropriates funds for radios." (JHICI Ex. GPS-A. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Contras] continues at 86/03/31-100. On radios for the Contras, see above at 85/10/07-500 and 85/10/08-100.)	
85/12/08-200 DECEMBER 8, 1985			LONDON MEETING: THE FIRST CHANNEL McFARLANE ACCOUNT: McFarlane travels to London to meet with Ghorbanifar. He testifies on May 11, 1987 that he does not recall being briefed before the meeting by Gen. Secord. On arrival in London, he "believe[s he] went to the Hilton Hotel and met Colonel North. . . . I [sc. McFarlane] did have a morning meeting with Mr. Kimche of Israel, where I summarized what my instructions were for the meeting with the Iranians." The meeting with Ghorbanifar occurs at 3 o'clock in the afternoon (McFarlane believes), at Nimrodi's apartment. (McFarlane does not recall Secord among the attendees.) McFarlane presents as his agenda "an opening with Iran in the areas in which we might have some common interests." Ghorbanifar's agenda is quite different: "A certain number of TOWs for

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			each hostage." Revolted, McFarlane leaves the meeting, resolved to have no further contact with Ghorbanifar. "Mr. LIMAN. Were you told either by North or by someone that the position you were taking, which is to turn this whole thing off, no more arms, and an insistence that all the hostages be released right away, might lead to reprisals against the hostages? "Mr. MCFARLANE. Yes, I believe Ollie felt that way and said so; and I acknowledged that it wasn't without risk. "Mr. LIMAN. Did you have a sense then that at that point we were now being as a country held hostage to the hostages? "Mr. MCFARLANE. Yes. "Mr. LIMAN. That we were in this Catch-22, that to sell arms would violate our policy, and to take a tough position might result in the hostages being killed? "Mr. MCFARLANE. Yes. I had to say I did not think personally that that was likely. "Mr. LIMAN. But did you not report that to the President, that that was a possibility when you returned? "Mr. MCFARLANE. Others report that I did, and I can accept that I did. I believe, frankly, Ollie reported that. He was in the meeting. "Mr. LIMAN. But it was reported to the President -- "Mr. MCFARLANE. Yes. "Mr. LIMAN. -- that to turn this off created the risk that the hostages would be killed as a

reprisal?

"Mr. MCFARLANE. That is correct."

(McFarlane Testim., JHICI, 5/11/87, at 140-43.)

85/12/08-201
DECEMBER 8,
1985

LONDON MEETING: THE FIRST CHANNEL
McFARLANE ACCOUNT:

"Mr. NIELDS. And there came a time thereafter when you had a meeting I think you have testified on December the 7th with members of that security council in which the general subject to arms and hostages was discussed?

"Mr. MCFARLANE. Yes, sir, that is right.

"Mr. NIELDS. And Iran?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And then you went . . . to London?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And in London you met Mr. Ghorbanifar?

"Mr. MCFARLANE. That is correct.

"Mr. NIELDS. You have testified to a number of things that he said, but isn't it true that one of the things that he said was that the wrong kind of Hawk missiles had been delivered to Iran in November?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. That they had wanted the kind of missiles that shot down high flying planes and that they were given a different kind of missile?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And he was quite angry about this and told you that his country was?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And he said that that had jeopardized the countinuing relationship of the two countries?

"Mr. MCFARLANE. That is correct.

"Mr. NIELDS. Now--

"Mr. MCFARLANE. I told him to go pound sand, that is too bad.

"Mr. NIELDS. But you remember those conversations?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And the[y] were about Hawks?

"Mr. MCFARALE. Yes.

"Mr. NIELDS. And, in fact, they were about a particular kind of Hawk that had been delivered to Iran?

"Mr. MCFARLANE. Yes."

(McFarlane Testim., JHICI, 5/12/87, at 53-55.)

85/12/08-250
DECEMBER 8,
1985

LONDON MEETING: THE FIRST CHANNEL
NORTH ACCOUNT:

North did not resolve the dispute over the location of the London meeting: "I couldn't give you a definitive ownership of the building."

He testified about McFarlane's meeting with Nimrodi and Ghorbanifar:

"Mr. LIMAN. And is it correct that that meeting was one in which Ghorbanifar was negotiating for a certain amount of TOWs for a certain number of hostages and it was a bargaining by Ghorbanifar of weapons for hostages?

"Mr. NORTH. Well, it was that, but it was very typical of the discussions with Mr. Ghorbanifar.

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			"It was wide ranging, rambling, very disconnected in some respects. He clearly mentioned, and I recall it because he is an effusive man, talking about the fact that there were potential openings that could be achieved, talked about terrorism as did Mr. McFarlane in the meeting. "But it was very clear that Mr. Ghorbanifar was trying to establish a price which, as you know from my records, I found to be most unpalatable[,] for a number of weapons for a number of Americans. "Mr. LIMAN. And did-- "[Witness confers with counsel.] "Mr. LIMAN. Did Mr. McFarlane also find that unpalatable[,] that lives for U.S. arms? "Mr. NORTH. Again, you are asking me to-- "Mr. LIMAN. Did he express it? "Mr. NORTH. Yes. "Mr. LIMAN. And in fact, did he not tell you that he was going to recommend to the President of the United States that you have nothing more to do with Ghorbanifar? "Mr. NORTH. My recollection is that the outcome of that meeting was that unless we could get beyond Ghorbanifar and establish direct contact with Iranians, that this was probably not going to work in the long run, that we were not going to achieve our objectives. "I share that belief and I think I testified to that yesterday." (North Testim., JHICI, 7/10/87, at 5-7.)
85/12/08-260			LONDON MEETING: THE FIRST CHANNEL

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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DECEMBER 8, 1985			NORTH ACCOUNT: "Mr. MCCLURE. And the U.S. Government at that time, both yourself and others, were still saying no? "Mr. NORTH. That's correct. "Mr. MCCLURE. I think Mr. McFarlane had made a trip to London and came away and said it is done, this is finished, don't go further with that. That occurred before you met with Mr. Nir? "Mr. NORTH. I don't recall the meeting quite as emphatically as that, but certainly Mr. McFarlane expressed reservations about continuing on if all we could get was Mr. Ghorbanifar as an intermediary." (North Testim., JHICI, 7/14/87, at 60-61.)
85/12/08-300 DECEMBER 8, 1985			LONDON MEETING: THE FIRST CHANNEL SECORD ACCOUNT: McFarlane arrives in London by USAF special mission aircraft. Accompanied by North and Secord, he meets in a hotel near Hyde Park with Schwimmer, Kimche, "several" Israelis, and Ghorbanifar. The meeting "degenerated into propositions of U.S. arms for U.S. hostages in Lebanon. . . . McFarlane was very, very unhappy with this session. . . . He said he would report this information back to the President. He committed to nothing." McFarlane, North and Secord all fly back to Andrews Air Force Base that night. (Secord Testim., JHICI, 5/6/87, at 14-17.)
85/12/08-301 DECEMBER 8,			LONDON TO U.S. FLIGHT: SECORD DISCUSSION WITH McFARLANE ON EARLIER ARMS TRANSACTIONS

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1985			SECORD ACCOUNT: After the meeting in London, on the flight to Andrews Air Force Base, Secord speaks with McFarlane: "I mentioned to McFarlane my meetings with the Israelis in Tel Aviv [during the Nov. 25 I-HAWK shipment foul-up], and I mentioned that to him when I gave him my first briefing in the hotel [earlier in the day in London]. But then we talked about it on the way home, and I mentioned to him again the replenishment of the 508 TOWs [Aug.-Sept. 1985] which the Ministry of Defense had brought to my attention. But he wasn't in the mood to talk about those items . . . and so I dropped it." McFarlane tells Secord "that he did know of the TOW transaction in August and September." McFarlane adds (according to Secord), "[I]n fact, the President approved it in July of 1985." (Secord Testim., JHICI, 5/6/87, at 20-21.)
85/12/08-400 LATE p.m., DECEMBER 8, 1985			LONDON TO U.S. FLIGHT McFARLANE ACCOUNT: McFarlane testified he did not recall Secord's having been on the plane back to Andrews. He added, however, "I do remember that he gave me a paper. I think it was handwritten, and stimulated by the reality of it, I do recall having gotten it." McFarlane explained he had left the U.S. "less than 24 hours before, ridden over there, had a couple of meetings, met this border line moron [sc. Ghorbanifar], came back and I was not in the peak of alertness at the time." (McFarlane Testim., JHICI, 5/13/87, at 45.)

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85/12/08-410 DECEMBER 8, 1985			THE IRAN INITIATIVE: SECORD'S ROLE McFARLANE ACCOUNT: McFarlane on his awareness that Secord was involved in the Iran Initiative: "It should have been apparent to me on December 8 . . . . Looking back until very recently, I would have said that I didn't know that until I left government and was advised by PROF messages." (McFarlane Testim., JHICI, 5/13/87, at 42-43.)
85/12/08-415 NOVEMBER - DECEMBER 1985			THE IRAN INITIATIVE: SECORD'S ROLE POINDEXTER DEPOSITION ACCOUNT: "Q. On Secord, I want to ask you one other question. Did you know he was at the London meeting in 1985 that was attended by McFarlane? "A. I am pretty sure I was aware of that. In fact, he may have provided some transportation. I can't recall right at the moment. "Q. Actually, Mr. McFarlane gave him a list [sic (lift?)] back. So it went the other way around. "A. Oh. But because of Secord -- Secord became involved in the business in [redacted] in November -- he, in effect, was brought in at that time on the Iranian project. Secord was viewed as -- at least by me -- as a very effective operator." (Poindexter, Senate Dep., 5/2/87, at 228-29.)
85/12/09-040 DECEMBER 9 OR 10, 1985		POINDEXTER'S CENTRAL AMERICAN TOUR, AND THE PRESIDENT'S BRIEFING POINDEXTER DEPOSITION ACCOUNT:	

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		"A. . . . The President is not a man for great detail, which I think everybody is aware. It wasn't a matter we would brief him in great detail on, where all the funds were coming from or exactly -- although there is one note in there. Right after I took over as -- after the President named me, but in December of '85, Mr. McFarlane was still technically the National Security Adviser. We deemed -- by we, I mean the NSC staff recommended to me, I agreed, and the President agreed that I should make a quick trip to Central America. So on -- it was around the 9th or 10th of December, I flew down to Panama one night and the next day flew back up through Panama, Costa Rica, El Salvador, Honduras, Guatemala, and then gave the President a debriefing of that the following day. The note of that debriefing is in the material I provided to you today. "In that note, I did give him a rather thorough briefing of the situation in Central America. In each country, I met with our people in-country, the ambassadors and their staffs, and with the military leadership, and in some of the countries, I met with the political leadership. "It was a very quick trip, but we felt, we thought that it was very important that with the change in the National Security Adviser, that the Central American countries understand we weren't changing any of our policies in Central America. "As a result of that, from those[ ]notes, you will see I did give him a rather detailed briefing. [Redacted] -- our access, and by our, I really mean General Secord's access to that	

airstrip [redacted.] I met with him and thanked him, and from my notes there, you will see that I did brief the President on that level of detail.

"We would keep the President up to date on roughly how many democratic resistance we thought were in-country, in Nicaragua, how many were in [redacted] the general activity level. But the general broad view of the situation down there.

"Q. When you just referred -- and I don't want to break up your stream of consciousness, you are talking about [Poindexter Dep.] Exhibit 1, the page 16 where it refers to [redacted] real estate.

"A. That's what that refers to.

"Q. That's when you told the President about the fact that [redacted] had agreed to make available the airstrip for the Secord operation?

"A. That's correct. I don't recall now whether I actually mentioned General Secord's name to the President or not, but it would have been described to him as the private effort to support the democratic resistance.

"Mentioning that point reminds me -- the only time I can recall mentioning General Secord to the President was sometime in '86. It would have been when we were talking about the Iranian project. I recall saying something to the effect that General Secord is a real patriot. It's too bad we can't recognize all that he has done. So the President should be aware of the name, but the President probably would not be aware of exactly who General Secord was or exactly what he was doing.

"[Q.] Are you saying then that he would not have known that General Secord's name was associated with the contras?

"[A.] The contras? I doubt if he would be aware of that. It is possible that Mr. McFarlane in the early days or in '86 -- I would have mentioned his name in connection with the contras, but I can't recall that.

"Q. When you referred to General Secord as a great patriot to the President, you were referring to his activities on the Iranian initiative?

"A. Specifically."

(Poindexter, Senate Dep., 5/2/87, at 64-67. For Poindexter's notes of his meeting with the President following the trip to Central America, see Poindexter Dep. Ex. 1 at p. 16 ["0930 Meeting with the President 12/13/85"]. On Poindexter's Central American trip, see below at 85/12/10-050, 85/12/12-200.)

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1985-86

THE COSTA RICAN AIRSTRIP: POINDEXTER INFORMS THE PRESIDENT

POINDEXTER DEPOSITION ACCOUNT:

"Q. When you informed President Reagan -- I believe you testified you informed him at one point about the air strip [redacted] -- who was it you had informed him had built the air strip? If you did.

"A. I don't recall that -- the only recollection I have of it is my note, which simply means the only thing I can conclude from it is that I told him [redacted] had agreed to allow the use of this air strip. I doubt seriously if we got into a discussion of the details of who built it.

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		"Q. Did you inform him the CIA had been involved in any way in assisting in the building of that air strip? "A. I doubt that." (Poindexter, Senate Dep., 7/2/87, at 102-03.)	
85/12/09-045 SOMETIME IN DECEMBER 1985		THE COSTA RICAN AIRSTRIP: POINDEXTER'S AND THE PRESIDENT'S AWARENESS POINDEXTER ACCOUNT: "Mr. LIMAN. And were you aware that Colonel North had a role in getting the airstrip in that Central American country? "Mr. POINDEXTER. Yes. In fact, as I've testified, that issue came up on the trip that I made to Central America in December of 1985. "Mr. LIMAN. Did you brief the President of the United States on that airstrip? "Mr. POINDEXTER. I did." (Poindexter Testim., JHICI, 7/15/87, at 190-91. See 86/01/01-500.)	
85/12/09-050 DECEMBER 1985 - NOVEMBER 1986		POINDEXTER'S CENTRAL AMERICAN TOUR, AND THE PRESIDENT'S DEBRIEFING POINDEXTER ACCOUNT, Part 1: "Mr. FOLEY. Colonel North testified that his efforts to open up the so-called southern front received support from his superiors. "Did you discuss with Colonel North specifically the southern front efforts? "Mr. POINDEXTER. Yes. Certainly. In fact, in December of 1985, I traveled to Central America on a one-day trip. I flew to Panama one night and the next day flew back up through Costa Rica, El	

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		Salvador, Honduras, and Guatemala; and in Costa Rica, we did discuss there, for example, the private landing strip that was being constructed in the northwest corner of the country; and-- "Mr. FOLEY. Of Costa Rica? "Mr. POINDEXTER. Of Costa Rica. "--[A]nd we discussed in general measures that could be taken to encourage the cooperation between the government of the country involved and the democratic resistance forces. "Mr. FOLEY. Did you specifically authorize[] Colonel North to proceed with the development of the airstrip? "Mr. POINDEXTER. I don't recall it that way. I think I was aware that there was a difficulty because they didn't have a divert [sic] field that was close enough to be used to provide safety to the aircraft and to the crews; and for a long time, there had been concern about this. And my recollection is that it was on this trip that I was brought up to date on what was happening in that regard. "Mr. FOLEY. Were you told that there was a need to refuel aircraft? Or was it largely the emergency diversion? "Mr. POINDEXTER. I don't recall discussing it at that level of detail. I just knew it was a field that could be used. I don't think we discussed the mechanics of fueling the aircraft. "Mr. FOLEY. The airstrip was opened in the spring of 1986? "Mr. POINDEXTER. I believe that is correct. "Mr. FOLEY. And did you discuss with the	

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		President prior to the airfield[']s being opened that this was being planned? "Mr. POINDEXTER. When I returned from my one-day trip through Central America, I debriefed the President on the results of the trip and my notes, which you have as one exhibit, indicate that indeed I did talk to him about the private airstrip. ". . . . "Mr. FOLEY. You did explain in the general debriefing of your trip that the plans were being made to develop an airstrip in Costa Rica; you did tell the President this? "Mr. POINDEXTER. As I recall, the discussion with the President--and this has been a very long time ago--but I believe all we discussed was that the Costa Rican Government was being cooperative in terms of letting private individuals establish an airstrip in the remote corner of the country. "Mr. FOLEY. [D]id you tell the President that the United States Government, through Ambassador Tambs, was active in obtaining the cooperation of the Costa Rican Government? "Mr. POINDEXTER. I don't recall going into that level of detail. "Mr. FOLEY. Was it-- "Mr. POINDEXTER. In general, Mr. Foley, the details as to how actions were being carried out across the board--not just on Central America, but in all the other broad aspects of the President's global responsibilities--seldom do we get into the details of who is doing what. "The real thing that is important to a	

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		president, I think, is what indeed is the outcome, what is the result. "Mr. FOLEY. Let me put it this way. Did you lead the President to believe this was a purely private effort, the construction of the airfield was a purely private effort, and the United States Government was not intimately involved in arranging for the construction of the airfield? "Mr. POINDEXTER. No, I don't think so. I think that it would have been clear from my debrief that we knew what was going on and were keeping very close track of the private operation." (Poindexter Testim., JHICI, 7/20/87, at 3-7.)	
85/12/09-051 DECEMBER 1985 - NOVEMBER 1986		POINDEXTER'S CENTRAL AMERICAN TOUR, AND THE PRESIDENT'S DEBRIEFING POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. FOLEY. My question is what the President knew and what you told him. "Mr. POINDEXTER. Well, Mr. Foley-- "Mr. BECKLER. Let me say, Mr. Chairman, that the question was answered. We will answer the questions. We have been doing that for four days, and we did it in four days of depositions. "Mr. FOLEY. Mr. Chairman, the answer was 'we.' I am trying to decide who[m] the 'we' refers to. Does it refer to the National Security Adviser and staff, or does it include the President of the United States? "It is a very fair follow-up question, I think.	

"Mr. POINDEXTER. Mr. Foley, I don't know what the President knows. I'm not going to speculate on what he knows or what he doesn't know.

"Mr. FOLEY. My question, sir, was what you told him at the time of the meeting in December and what might be fairly inferred from your briefing of him as to what he knew then.

"Mr. POINDEXTER. I've given you the detail that I can recall. I simply can't recall further detail about it. It's been a very long time ago.

". . . .

"Mr. FOLEY. Let me ask you what your intention was, Admiral, if you can recall. Was it your intention, on the one hand, simply not to go into what you might have thought to be unnecessary detail in the briefing of the President, or was it your intention to protect the President from knowledge about the degree to which the United States Government was involved through Ambassador Tambs and others in the permission to build the field in Costa Rica and the plans to construct it with U.S. Government assistance?

"Mr. POINDEXTER. Mr. Foley, my intention was to exclude what I considered extraneous detail.

"Mr. FOLEY. Did you tell the President that it was Colonel North who had requested General Secord to construct the airfield?

"Mr. POINDEXTER. I don't believe that I covered that detail.

"Mr. FOLEY. But you yourself knew that General Secord was operating under the general instructions of Colonel North with respect to the construction; is that fair?

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		"Mr. POINDEXTER. I certainly knew that General Secord was leading a private logistics organization and Colonel North stayed in very close contact with him. I don't know that I was aware of the detail of General Secord's involvement with that airstrip, but it would not have surprised me to learn that. "We simply--with all of the issues involved, simply didn't--I usually didn't get into that level of detail and I did not bring the President into that level of detail. He knew the contras were being supported. He knew they were being supported by third country funds and by private support activity and that we were keeping close track of what was happening. "Mr. FOLEY. Under some interpretation, construction of the airfield might be considered a detail; isn't that true? "Mr. POINDEXTER. The point--the only reason for bringing that up with the President was that it was a dramatic display of cooperation and support for the President's policy by the country involved. That was the thing that was important to the President." (Poindexter Testim., JHICI, 7/17/87, at 7-10. For Poindexter's notes of his meeting with the President following the Central American trip, see Poindexter Dep. Ex. 1 at p. 16 ["0930 Meeting with the President 12/13/85"].)	
85/12/09-060 1985-86		THE COSTA RICAN AIRSTRIP: POINDEXTER'S KNOWLEDGE POINDEXTER DEPOSITION ACCOUNT: "Q. You talked about the air field	

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		[redacted.] Did you know that North had had a role in that? "A. Yes. I can't say that I knew all of the details of it, but I knew that he and [redacted] and Dick Secord and others had been involved in getting that air field put in and did discuss that with the President. "Q. Did you know that he had arranged with Felix Rodriguez to get help from the Central American country where Felix was working? "A. Yes. I would not put it, though, so much in terms of Felix Rodriguez, but I was aware that Colonel North had made some arrangements [redacted.] "Q. And when you say made arrangements, did you know what kind of arrangements he made other than just arrangements? "A. My recollection is that Colonel North had direct contact with [redacted.] "Q. [Redacted.] "A. [Redacted] and that frankly was contrary to what I have heard in hearings up here. That I think was more instrumental that anything that Mr. Rodriguez did. "Q. How do you know that he had that contact with [redacted?] "A. Because Colonel North told me that. "Q. [Redacted] didn't tell you? "A. [Redacted] didn't tell me, although I have met [redacted.] "Q. But [redacted] never said that it was North who[m] he was working with? "A. No, not that I recall.	

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		"Q. Did North ever, to your knowledge, promise any of these neighbors of Nicaragua that if they helped the contras the United States would find ways of giving them assistance? "A. I don't know of any specific incident like that. "Q. Was that a matter of -- "A. I think that, you know, my general view was that it was in the interest of those countries [redacted.] "Q. [Redacted.] "A. [Redacted.] Of course during my trip through Central America with [redacted] in all of those countries I encouraged them to support the contras. [Redacted.]" (Poindexter, Senate Dep., 6/17/87, at 332-34. See also Poindexter Testim., JHICI, Executive Session, 8/6/87, at 25-26. On Poindexter's awareness of North's Contra activities, see below at 86/00/09-195, -196.)	
85/12/09-080 DECEMBER 9, 1985			IRAN ARMS SALES: "NEXT STEPS" NORTH MEMO: In a memo to McFarlane and Poindexter entitled "Next Steps" and labeled "eyes only," North reviews the options he considers necessary "[i]f we are to prevent the death or more of the hostages in the near future." North lists the problems of Ghorbanifar's untrustworthiness, Schwimmer's arrangement of previous deals that have angered the Iranians and left Israel with inadequate funds for replenishment, and the U.S. "lack of operational

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			control over transactions with Ghorbanifar." North then sets out four options: the arms-for-hostage swaps discussed in London, an Israeli delivery of 400 to 500 TOWs to restore "good faith," a military raid, and "do nothing." North rejects summarily the "do nothing" approach: "Very dangerous since U.S. HAS, IN FACT, PURSUED EARLIER PRESIDENTIAL DECISION to play along with Gorbanifahr's [sic] plan. U.S. reversal now in mid-stream could ignite Iranian fire -- hostages would be our minimum losses." At the end of the memo, North describes a "fifth option": the United States would directly sell arms to Iran, acting pursuant to a Presidential Finding and using Secord as an operational "conduit." (JHICI Ex. OLN 51 [= Ex. 45-A; North memo to McFarlane and Poindexter, "Next Steps," 12/9/85; emphasis in original]. See Iran-Contra Report, at 199.)
85/12/09-083 DECEMBER 9, 1985			THE IRAN-IRAQ WAR: STATUS OF THE WAR McFARLANE ACCOUNT: "Mr. MCCLURE. If I can refer to exhibit 45-A, which is a memo from Oliver North to you and John Poindexter . . . . ". . . . "Mr. MCCLURE. There is a cover page. Then--dated December 9, 1985. Then there are four more pages--three more pages, and then there is a Special Project . . . Re: Iran, [Dec]ember 5, 1985. "Mr. MCFARLANE. Yes, sir.

"Mr. MCCLURE. On the second page of that attachment, under the first paragraph, 'Current Situation,' it is describing the Iranian situation and describes first the overflights by Soviet aircraft, their inability to deal with that affront, and then it goes on to say, 'They find themselves in an increasingly desperate situation vis-a-vis Iraq.'

"Do you see that?

"Mr. MCFARLANE. Yes, sir.

"Mr. MCCLURE. Would that be a correct description of the status of that war at that time?

"Mr. MCFARLANE. Well, I don't agree with it.

"Mr. MCCLURE. You didn't view Iran as having an increasingly desperate situation?

"Mr. MCFARLANE. No, sir. I think probably it is useful to say that objective military analysis, based upon order of battle and the weapons balance, for example, in tactical air, artillery, tanks and so forth, would have led you to assume that Iraq had a very, very--has a very, very substantial advantage in tactical air power. That is true. But Iran has an immense advantage in manpower. That is true.

"But the problem is, what goes with that hardware and numbers must be leadership, tactics, maneuver, skill, training; and those have combined in measures of extreme ineptitude on both sides. So the result has been a stalemate basically that rather begs sensible analysis.

"But I take your point. I didn't see the situation as desperate.

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			"Mr. MCCLURE. As Colonel North described it in that memo? "Mr. MCFARLANE. No, sir. Which I didn't get, by the way, but I don't agree with the assessment." (McFarlane Testim., JHICI, 5/13/87, at 26-28; JHICI Ex. 45-A [= Ex. OLN 51; North memo to McFarlane and Poindexter, "Attached are our plans to date," 12/9/85].)
85/12/09-085 AFTER DECEMBER 8, 1985			THE IRAN INITIATIVE: AFTER THE LONDON MEETING POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. . . . I have just handed you [Poindexter Dep.] Exhibit 37, which is a memorandum dated December [9], 1985, from Oliver North to Mr. McFarlane and you. ". . . . "Q. December 9, 1985, and it begins with what I would characterize as a trip report on their weekend meeting in London. ". . . . "Q. In the first place, do you recall receiving and reading this memorandum? "A. I can't say that I have a good recollection of it. I probably did, but you know, it's been a long time ago. "Q. And is this the type of memorandum that you would have given the President a briefing on? "A. Yes, it is. "Q. And in this memorandum Colonel North lays out certain options at page three. One is what he calls a Ghorbanifar-Schwimmer plan, which involved the sale of some TOWs to the Iranians, and that's

the first option he describes.

"The second is he talks about [redacted,] am I correct?

"A. That's correct.

"Q. The third is allowing the Israelis to deliver 400 or 500 TOWs while picking up the 18 HAWKs in an effort to show good faith to both factions in Iran; am I correct?

"A. It makes that proposal as one option.

"Q. The 18 HAWKs were the ones that he refers to earlier in the memorandum that had been delivered to the Iranians, where he says, for example, 'at the meeting with McFarlane we learned for the first time that the Iranians want desperately to return the 18 basic HAWK missiles which are still in Tehran,' on page two. So that was another option, right?

"A. Right.

"Q. Then he talked about doing nothing, and there Colonel North stated the position that he had stated on a number of occasions, that if the United States did nothing it could be very dangerous and that a 'United States reversal now in mid-stream could ignite Iranian fire. Hostages would be our minimum losses.' Right?

"A. Yes. That's his assessment of the situation.

"Q. And then he gives a fifth option, and in that fifth option he describes the possibility of using Secord as the conduit to control Ghorbanifar and for delivery operations. Do you see that?

"A. Yes.

"Q. Now was this the first time that you had heard a proposal to use Secord as an agent in lieu of the Israelis?

"A. I can't be certain because, you know, I just don't remember all the details. It probably was. I'm not quite sure, you know, what he means here. My guess is that when I read that I assumed that it would be using Dick Secord for the delivery of weapons in Israeli stocks, because, you see, I really didn't understand that the Attorney General had a problem with the Israel to Iran, U.S. replace Israel until the meeting on the 16th. So when I read that, and I'm relatively sure that I did at the time, it didn't register, and I'm not sure that's what Ollie meant here.

"Q. Well, he does talk about the fact that this will reduce our vulnerabilities in the replenishment of Israeli stocks.

"A. Yes, that's true."

(Poindexter, Senate Dep., 6/18/87, at 388-91; Poindexter Dep. Ex. 37 [= JHICI Exx. 45-A, JMP 22; North memo to McFarlane and Poindexter, "Next Steps," 12/9/85].)

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THE IRAN INITIATIVE: AFTER THE LONDON MEETING, AND SECORD'S ROLE

POINDEXTER DEPOSITION ACCOUNT, Part 2:

[Continuing from preceding entry:]

"Q. Let me see if I can refresh you on this. You knew when North returned from the London trip that he was dissatisfied with the Israelis' performance on the HAWK shipment, right?

"A. Yes, he was.

"Q. And you knew that he thought that the

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			Israelis were mishandling that whole Ghorbanifar relationship, correct? "A. That's correct. And he wasn't satisfied with Ghorbanifar either. None of us were. [Sic.] "Q. Is it a fact that North communicated to you that he or he and Secord felt that the United States had to get involved directly with Ghorbanifar and not simply rely on the Israelis? "A. I'm not sure when he arrived -- he or I arrived at that conclusion. Eventually we did arrive at that conclusion. But, you know, reading this and thinking back on it, what I probably thought at the time was that what he was saying here was that Secord would essentially replace Schwimmer in the operation, because Schwimmer was one of the people that he didn't particularly trust. "Q. Well, was a decision made at some point that Secord ought to replace the private Israeli[s], Schwimmer and Nimrodi in dealing with Iran? "A. Well, essentially when the President signed the final version of the Finding on the 17th of January that decision was made, not necessarily Secord by name but that a third party, and the intent there was for Bill Casey to use a third party, Dick Secord, or it could have been somebody else at that point. "Q. Did you ever hear the name of any other third party who was contemplated to be used other than Secord? "A. No, I did not. But I'm just saying that when the Finding was signed that did not include

necessarily the decision to use Dick Secord. The Finding was broad enought that Bill Casey was left to make that decision about exactly how to carry it out.

"Q. Did you understand by the time you met with Dick Secord on January 17 that Secord had been stationed in Iran?

"A. Yes.

"Q. And that he had some knowledge of Iran?

"A. Yes.

"Q. Did you know that he had a partner, Hakim, who could speak Farsi at that point?

"A. At that point I didn't know that, to the best of my knowledge.

"Q. And you knew that Secord had had some experience in special operations?

"A. Yes, I knew that.

"Q. And that he had a reputation of being able to get things done?

"A. He did. I had the impression that Dick Secord was an ideal candidate to carry out this mission.

"Q. Now you've already testified at that time that you did not envision the role of the agent as being to make profits.

"A. That is correct.

"Q. And when you talked to Secord on the 17th Secord stressed with you that he was interested in getting involved if this would be an initiative to establish a relationship with Iran and not just a plain hostage-for-arms swap?

"A. To the best of my knowledge."
(Poindexter, Senate Dep., 6/18/87, at 391-94.)

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85/12/09-087 AFTER DECEMBER 8, 1985			THE IRAN INITIATIVE: AFTER THE LONDON MEETING, AND ARMS FOR HOSTAGES POINDEXTER DEPOSITION ACCOUNT, Part 3: [Continuing from preceding entry:] "Q. Did you find, yourself, Admiral, the notion of an arms-for-hostage swap to be distasteful? "A. I frankly don't find that distasteful. I think that we live in a very imperfect world, a very dangerous world, and sometimes you don't have the best options or the ideal option, and you've got to do what's necessary. "Q. What is your response to those who say -- "A. I view it much more pragmatically? "Q. What is your response to those pragmatists who say that if you start swapping arms for hostages you are only going to encourage the taking of most hostages? "I'd like to show this consultation because on this one I think he could answer this without you, Mr. Beckler. "(Counsel conferring with the witness.) "MR. LIMAN: This has nothing to do with refreshing him. "MR. BECKLER: Mr. Liman, he is perfectly capable of answering every question without consulting with me. That is not necessarily why I consult with him. "BY MR. LIMAN: (Resuming) "Q. May I have the answer to this one? "A. Would you mind repeating the question, please?

"Q. I wanted to know what is your response to those pragmatists who say that if you start swapping arms for hostages you will just simply encourage the taking of more hostages.

"A. I would make two points. One, we didn't feel and didn't believe, the intelligence didn't indicate, that the Iranians were holding the hostages. It was a separate group in Lebanon, a faction of the Hizbollah. We didn't feel that the Iranians had complete control over the situation. We certainly felt that they had some influence and could bring pressure to bear.

"You see, the President never did view -- and, you know, it was a fine line, but I think his rationale was right and I agreed with him -- that we were not dealing arms for hostages, although frankly that doesn't have the same impact on me that it does on some people.

"The second point is that the objectives of the radical fundamentalist groups in the Middle East go far beyond arms or anything else that we were talking about. And I think that the danger of increased hostage-taking existed whether there were arms involved or not involved.

"Q. Now, Admiral, attached to the December 9 memo is a December 5 memo. It happens to be attached to it, which is the way in which we received these documents. I'm not sure it was attached originally.

"A. I haven't read that one yet.

"Q. Could you take a look at it and just see if you recall reading it and in particular I call your attention on the first page to where they

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			describe the Israeli shipment of 500 TOWs in September of 1985 and the author of the document says 'prior to commencing this operation we committed to the Israelis that we would sell them replacements for the items that they had sold and delivered to Iran. Two days later, Reverend Benjamin Weir was released.' ". . . . "Q. Admiral, if you look at that, do you remember whether or not you saw that memorandum at the time? "A. I probably did. I think this was the first indication or -- well, the thing that makes me believe that I saw it at the time was [redacted.] "Q. And was this the first indication that you had that we had committed to the Israelis to replace the 500 TOWs? "A. It probably was. I didn't recall knowing this this early, but it looks like that I did." (Poindexter, Senate Dep., 6/18/87, at 394-97; Poindexter Dep. Ex. 37 [= JHICI Ex. JMP 22; North memo to McFarlane and Poindexter, "Next Steps," 12/9/85; with second memo attached: "Special Project Re Iran," 12/5/85].)
85/12/09-100 DECEMBER 9, 1985			THE IRAN INITIATIVE: SECORD'S ROLE NORTH MEMO: North memorandum to McFarlane and Poindexter: With regard to possibilities for action on the hostages and Iran, North lists "[d]o nothing." He then comments, "Very dangerous . . . . U.S. reversal now in mid-stream could ignite Iranian

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			fire -- hostages would be our minimum losses." North lists a "fifth option which has not yet been discussed. We could, with an appropriate covert action Finding, commence deliveries ourselves, using Secord as our conduit to control Ghorbanifahr [sic] and delivery operations." (JHICI Ex. 45-A [= Exx. OLN 51, DoD 10].)
85/12/09-101 DECEMBER 9, 1985			THE IRAN INITIATIVE: SECORD'S ROLE McFARLANE RESPONSE TO NORTH MEMO: McFarlane on North's fifth option (U.S. deliveries to Iran using Secord and Ghorbanifar): "Mr. LIMAN. Do you recall that proposal being made at all? "Mr. MCFARLANE. No, I don't. "Mr. LIMAN. Do you recall any discussion of that by Colonel North on the plane back from Europe? "Mr. MCFARLANE. No." (JHICI, Ex. 45-A; McFarlane Testim., JHICI, 5/11/87, at 143-44.)
85/12/09-145 SHORTLY AFTER DECEMBER 8, 1985			THE IRAN INITIATIVE: AFTER THE LONDON MEETING McFARLANE ACCOUNT: McFarlane testified on his view of the Iran Initiative following the December 1985 meeting in London: "Mr. MCFARLANE. Well, I said essentially that I believed that the intermediary was unreliable and that we should not do business with him, that if ultimately we could get in contact directly with officials in Tehran that that might offer some hope. But I recommended against

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			continuing to deal with Mr. Ghorbanifar. "Mr. MCCLURE. Had you had doubts about this prior to that meeting in December? "Mr. MCFARLANE. Yes, sir. "Mr. MCCLURE. Had you expressed those doubts? "Mr. MCFARLANE. Not in any effective way, I think. "Mr. MCCLURE. Well, apparently not in an effective way, because it went forward anyhow. But . . . had you communicated to other people that you thought this thing wasn't working the way it ought to work? "Mr. MCFARLANE. Yes, sir." (McFarlane Testim., JHICI, 7/14/87, at 240-41.)
85/12/09-147 SHORTLY AFTER DECEMBER 8, 1985			BRIEFING THE PRESIDENT AFTER THE LONDON MEETING REGAN ACCOUNT: "Mr. SMILJANICH. When Mr. McFarlane returned from London, he recommended that the entire operation be aborted or terminated; is that correct? "Mr. REGAN. As I recall, he was quite disgusted with the sleazy type of characters that he had met there. "Mr. SMILJANICH. And he conveyed the impression to you and the President? "Mr. REGAN. He did." (Regan Testim., JHICI, 7/30/87, at 36.)
85/12/09-148 AFTER DECEMBER 8, 1985			WHY THE IRAN INITIATIVE CONTINUED REGAN ACCOUNT: "Mr. COHEN. If it were not for the hostage issue, you agree it is unlikely the President

would ever have agreed to sell weapons to the Iranians?

"Mr. REGAN. ~~I don't think~~ he ever would have agreed, bona fides, or what have you.

"Mr. COHEN. So from the very beginning, there is no question in anyone's mind, at least not yours, the hostages were in fact the driving force that kept holding this thing together?

"Mr. REGAN. No. Not the driving force, but a force. Because the driving force was, and I believe still is, if this President doesn't make contact with Iran, the next one will certainly have to or his successor. We are going to have to make that contact.

"Mr. COHEN. No one disputes that, but it is the fact that it was the hostages that kept the issue alive. The President could have walked away from the table at any time from dealing with Ghorbanifar, Khashoggi, or anyone else?

"Mr. REGAN. Oh, yes. To that extent, sure. But, again, you have to ask yourself what is the job of the President of the United States? Should he turn his back on people like this? If he has a chance to get them out, should he do it? This President tried, it didn't work."
(Regan Testim., JHICI, 7/30/87, at 127-28.)

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BRIEFING THE PRESIDENT AFTER THE LONDON MEETING
NORTH ACCOUNT, Part 1:

"Mr. LIMAN. Did you, when you returned from London with Mr. McFarlane, brief the President of the United States?

"Mr. NORTH. I was in that briefing as I

recall, yes.

"Mr. LIMAN. And--

"Mr. NORTH. And I probably made some contributions to it, but my recollection is that Mr. McFarlane and I went to the regular morning briefing with the President. I may be incorrect in that. It was a long time ago.

"Mr. LIMAN. Did you also prepare a report on the meeting?

"Mr. NORTH. I probably did. I prepared papers on almost everything.

"Mr. LIMAN. . . . [D]o you recall telling the President of the United States that if the Iranian venture was discontinued at that time, that the lives of the hostages might be taken?

"Mr. NORTH. I recall certainly very clearly putting that kind of message forward. I don't necessarily recall saying it point blank to the President that morning, but I very clearly saw that as a possibility. Certainly the Israelis did, and I think, to at least a certain extent, that was shared by the people with whom I worked at the CIA.

"Our concern was that having started the route, wisely or unwisely, but having started that in August and September and having a disaster on our hands in November as a consequence of what the Iranians clearly saw as a double-cross, that we had indeed increased the jeopardy to the hostages rather than reduced it. That kind of--

"Mr. LIMAN. If you look at Exhibit [OLN] 51, it is a memorandum of December 9 from you to Mr. McFarlane and Admiral Poindexter . . . headed

'Next Steps.' At page 3, in describing the options, it says, 'Do nothing: very dangerous, since United States has in fact pursued earlier Presidential decision to play along with Ghorbanifar's plan. U.S. reversal now in midstream could ignite Iran fire--hostages would be our minimum losses.'

"Remember that, Colonel?

"Mr. NORTH. Yes, I wrote this document. But I think it is important, Counsel, to point out that I was presenting forward, as I try to do in most cases, options that we had if we wished to pursue any initative in getting our Americans back.

"Mr. LIMAN. Part of your role was to point out to the President or his National Security Adviser the opportunities and the risks, correct?

"Mr. NORTH. That is correct.

"Mr. LIMAN. And you were pointing out the risks of abandoning further arms sales to Iran in terms of saying that they might take out reprisals on the hostages; isn't that so?

"Mr. NORTH. That's correct. At the least.

"Mr. LIMAN. Yes. And when you say 'at the least,' did Ghorbanifar make those threats or was that an opinion that you and some of your colleagues and the Israelis formed?

"Mr. NORTH. I don't recall Ghorbanifar making that kind of a threat. Ghorbanifar was obviously in a very difficult situation. He had made commitments on behalf of the Israelis perhaps or others that what they were delivering in December would be responsive to what they had asked for, and he had a big problem on his hands.

"At the same time, the Israelis saw their original initiative foundering. I know that Mr. Kimche, with whom I conversed on this both in London and before and after, expressed this kind of a view.

"Mr. LIMAN. Now, at the briefing that you had with the President of the United States, did he ask Mr. McFarlane's opinion as to whether you should go forward?

"Mr. NORTH. I don't recall that part of the discussion.

"Mr. LIMAN. Did you express a view as to whether you should go forward?

"Mr. NORTH. If I did--and again, I do not recall that specifically--but if I did, it was to advocate that we do something, that this whole thing not lead to the kind of outcome that is forecast right there.

"Mr. LIMAN. You mean the loss of the hostages?

"Mr. NORTH. Exactly.

"Mr. LIMAN. And--

"Mr. NORTH. And the potential for further reprisals. I think that is important."
(North Testim., JHICI, 7/10/87, at 7-11; JHICI Ex. OLN 51 [North memo to McFarlane, titled "Next Steps"].)

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BRIEFING THE PRESIDENT AFTER THE LONDON MEETING
NORTH ACCOUNT, Part 2:

North's testimony on the post-London briefing of the President continued:

"Mr. LIMAN. Was there any discussion about the fact that having started down the road of dealing with Iran on arms, we were now becoming hostage to that very process?

"Mr. NORTH. I always felt that way, and I think that is articulated in this memorandum.

"Mr. LIMAN. And was there any discussion of the fact that if we started selling them arms, that once we stopped we were going to run the risk that more hostages would be taken?

"Mr. NORTH. Yes, and there was frequently discussion of that aspect of this whole initiative. But again, and I want to make it very clear, we believed, I believed then and I still believe today, that had we been able to get to a point where we would have had a meeting with, for example, the Vice President and Rafsanjani, which was the proposal that I had advocated at some point along in here, by virtue of intermediate-level or low-level staff contact like I was going to do, that we could get beyond that risk, and that once you had established the dialogue we were seeking to establish, that we could in effect start working an outcome to the Iran-Iraq War which would then lead to a reduced need for this kind of thing to begin with. . . ." (North Testim., JHICI, 7/10/87, at 7-11; JHICI Ex. OLN 51 [North memo to McFarlane, titled "Next Steps"]. See 86/00/01-182 [Weinberger on being held hostage to the hostages].)

85/12/09-152
SHORTLY AFTER

BRIEFING THE PRESIDENT AFTER THE LONDON MEETING, AND GHORBANIFAR'S CHARACTER, GENERALLY

DATE	GENERAL	CONTRAS	IRAN
DECEMBER 8, 1985			POINDEXTER ACCOUNT: "Mr. LIMAN. Now, when Mr. McFarlane returned from London, did you speak to him? "Mr. POINDEXTER. I did. "Mr. LIMAN. And you spoke to Colonel North? "Mr. POINDEXTER. I did. "Mr. LIMAN. And you received Colonel North's memorandum summarizing the meeting, which is our Exhibit [JMP] 22? "Mr. POINDEXTER. Yes. I have a vague recollection of seeing that at the time. "Mr. LIMAN. All right. Admiral, did Mr. McFarlane brief the President with you there on his views? "Mr. POINDEXTER. Yes. As I said before, after Mr. McFarlane came back from London, he pretty much turned over the entire operation of the NSC staff to me and he came in, as I recall, he got back on a Monday, and my recollection is he came in to give the President a debriefing on the Tuesday at 9:30. "Mr. LIMAN. And did he express a very negative view towards Mr. Ghorbanifar? "Mr. POINDEXTER. Yes, he did. You know, we didn't go into this thing in a naive way. As soon as Mr. Ghorbanifar was identified as the channel that the Israelis were using, and I can't remember at this point when we learned that, but it was prior to December, and we checked the man out with information from our own intelligence services, and we knew what kind of person Mr. Ghorbanifar was, we knew his polygraph record, as has been discussed in these committees before, and we were

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			aware of that. "Mr. McFarlane confirmed all that when he came back and his position was, as I recall, that unless we could get a better channel, that he was very dubious we would make much progress with this particular channel. "Mr. LIMAN. Now, did Colonel North express the view that if you didn't continue with this channel and continue with arms shipments, that the hostages would be killed? It is in that memorandum. "Mr. POINDEXTER. Yes. He did express that in the memorandum. "Mr. LIMAN. Is it fair to say he also expressed that on other occasions after that? "Mr. POINDEXTER. Yes. That is correct. That was his personal view and assessment of the situation. "Mr. LIMAN. Was that view communicated to the President? "Mr. POINDEXTER. I am certain it was. I can't recall the specific conversation. But I am confident that it was raised. "Mr. LIMAN. Do you recall what effect, if any, it had on the President to be told that if you don't authorize shipments to the Iranians, that since we have built up expectations, they will be killed and it will be blamed on you? "Mr. POINDEXTER. I don't know that I would want to testify as to that having a disproportionate impact on the President. My assessment of the President's thinking is more that he knew that we had been trying for a very

long time, essentially since the first hostage was taken.

"We had been working very diligently to find some way to get the hostages back, including rescuing. We were devoting extensive resources to the problem of locating the hostages. The President said publicly numerous times that we were working very hard to get the hostages back, but that the details of what we were doing had to remain secret.

"So it was common knowledge by everybody as to what we were--what he was stating. Of course, I think, at least some of the media tended to down-play what we were doing or what they thought we might be doing."

(Poindexter Testim., JHICI, 7/15/87, at 65-67. See JHICI Ex. JMP 22 [North memorandum to Poindexter, dated 12/9/85, summarizing London meeting].)

85/12/09-154
DECEMBER 9
AND 10, 1985

BRIEFING THE PRESIDENT AFTER THE LONDON MEETING
POINDEXTER DEPOSITION ACCOUNT:

"Q. Why don't you tell us the substance of what Mr. McFarlane reported to the President and to you.

"A. The substance was that he was very uneasy with the Iranian interlocutor, Ghorbanifar, and was pretty pessimistic, I guess is the fair way to describe it, based on my recollection, that we should proceed ahead with it. At least unless we could get a better channel into the Iranian government. I think that's the substance of his recommendation.

"Q. At that point was there any plan to continue operating through the Ghorbanifar channel?

"A. The President really wasn't ready to give up at that point.

"Q. Did you get a report from North that if you abandoned this, the hostages might be killed?

"A. That's conceivable. That was often Colonel North's view, that the hostages were at risk.

"Q. Were you concerned that having started on the process, that you were now becoming hostage to the process itself?

"A. Well, a little bit. I think you can tell that from my notes where I say we are already pregnant for 500. That was part of it.

"But the President clearly, his primary concern, was the hostages. I don't mean to imply that he wasn't considering the strategic importance of an opening to Iran, because that was indeed considered. But he was very concerned about getting the hostages back. He did not view this, as he had said -- and he made this speech many times in my presence, that he did not consider this an arms-for-hostage deal because the arms weren't going to the people that held the hostages.

"Q. He . . . drew the distinction between giving the arms to the hostage-holders and giving them to Iran?

"A. That's exactly right. That's a fine line. But he was drawing it.

"Q. He also at that meeting drew a line,

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			didn't he, between selling arms directly to Iran and letting Israel sell them? "A. Yes, he did. He did make a -- later we had to fall off of that. I can tell you why. "Q. We will come to that. . . ." (Poindexter, Senate Dep., 5/2/87, at 128-30.)
85/12/09-155 SHORTLY AFTER DECEMBER 8, 1985			THE IRAN INITIATIVE: AFTER THE LONDON MEETING NORTH ACCOUNT: "Mr. LIMAN. . . . Colonel, there is a saying that 'failure is an orphan.' . . . Secretary Shultz was opposed to this venture, the Secretary of Defense was opposed to it. At the meeting on December 7, the Chief of Staff was opposed to it. Mr. McFarlane said that when he returned from London, he was opposed to it, and testified under oath. "Had you become the principal advocate of having this program go forward? "Mr. NORTH. I don't believe I was the principal advocate. Certainly Director Casey was always a supporter of it, because he saw several objectives that could be achieved by it. "And I would simply observe that, like some of my other activities, the opposition that I heard was far more muted while we were doing it than it ever was after it failed or after it was exposed. And I kind of get the feeling, Counsel, that there were a lot of people who were kind of willing to let it go along, hoping against hope that it would succeed, and willing to walk away when it failed. "I am not necessarily advocating that that is the way things ought to be, but this was a

high-risk venture. We had an established person to take the spear, and we had hoped we had established plausible deniability of a direct connection with the U.S. Government. And I am not necessarily saying that is a bad thing, high-risk operations like this or activities like this. It is understandable that people don't complain too loudly while they are happening as long as they can be assured of protection if it goes wrong.

"Mr. LIMAN. Colonel, when you said there was an established person to take the spear, again you are referring to yourself? I think that can be answered yes or no.

"Mr. NORTH. Yes.

"Mr. LIMAN. Mr. McFarlane testified when he was here and when he was shown this memorandum of yours that we just looked at, December 9, 1985, that he was surprised or shocked that you were still promoting this initiative when he was opposed to it. Do you recall him being opposed to it and expressing that opposition at your meeting with the President?

"Mr. NORTH. Mr. McFarlane, I recall, expressed a concern that unless we got beyond Ghorbanifar that we would not succeed. I shared that.

"Mr. LIMAN. Were you told following this meeting with the President that the President wanted to make another try?

"Mr. NORTH. I was told to initiate another effort.

"Mr. LIMAN. And who gave you those instructions?

"Mr. NORTH. Admiral Poindexter.

"Mr. LIMAN. Were they given at the meeting--did the President express a position at the meeting?

"Mr. NORTH. I don't recall those instructions were given at the meeting. I was simply told to pursue another initiative, and I did. And I wish to point out that Director Casey was a very strong advocate. Remember, at the time, we believed that Mr. Buckley was still being held and that we had some indications that he was still being tortured, and some of the things we discussed last night [in Executive Session] were possibly the subject of his torture.

"Mr. LIMAN. Wasn't it the fact that you also had information at that time that he was dead, you just didn't know?

"Mr. NORTH. We did not know.

"Mr. LIMAN. . . . [D]id you meet with Director Casey after you returned from London?

"Mr. NORTH. I did.

"Mr. LIMAN. Did you express your points of view that the hostages would be killed or could be killed, and there could be further reprisals if you didn't go forward with an initiative?

"Mr. NORTH. Yes, and I believe Director Casey articulated those same views."
(North Testim., JHICI, 7/10/87, at 13-16.)

85/12/09-165
SHORTLY AFTER
DECEMBER 8,
1985

BRIEFING THE PRESIDENT AFTER THE LONDON MEETING
POINDEXTER ACCOUNT:

"Mr. POINDEXTER. My recollection is that after Colonel North and Mr. McFarlane came back from London that I got the clear impression from the President's reaction to that debriefing that he wanted to consider continuing the program and that the--what we needed to do, one of the things that we needed to do to see whether the program was even going to be feasible was to get a firm determination as to whether or not there was a legal way that we could do this.

"And my recollection is that I asked Colonel North to work with the appropriate people at CIA and in Ed Meese's office, if not Ed Meese himself, on resolving that issue.

"Mr. NIELDS. That is to find a legal way--

"Mr. POINDEXTER. To find a legal way to do it."

(Poindexter Testim., JHICI, 7/16/87, at 109.)

85/12/09-170
DECEMBER 7, 1985 - JANUARY 2, 1986

THE IRAN INITIATIVE: AFTER THE LONDON MEETING, AND GHORBANIFAR'S ROLE

POINDEXTER ACCOUNT:

"Mr. McCLURE. Admiral, to the best of your knowledge, when did we first become aware that Mr. Ghorbanifar was the channel that the Israelis were using?

"Mr. POINDEXTER. Well, we knew it on 7 December. I don't believe that we knew it in July, August, September--probably--or October. We probably didn't identify him until General Secord got involved with helping the Israelis on that flight. I am a little fuzzy on that, but I believe that is reasonably accurate.

"Mr. McCLURE. When Mr. McFarlane came back from that meeting, he briefed the President

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			directly? "Mr. POINDEXTER. He did. "Mr. McCLURE. Were you present at the time he gave that briefing? "Mr. POINDEXTER. Yes, I was. "Mr. McCLURE. As I recall the testimony, both from his direct testimony and that of others, he was very very skeptical about whether or not this channel was going to work, he was very skeptical about Mr. Ghorbanifar, and as I recall at least some comments were made that he was repulsed by the way Mr. Ghorbanifar had suggested arms-for-hostages trades in kind of a mathematical equation, is that correct? "Mr. POINDEXTER. My recollection of his debrief was that he did not think that Mr. Ghorbanifar was a good channel, didn't have any confidence in him at all. That is the thing that sticks in my mind. "Mr. McCLURE. He wrote a memo, didn't he, Mr. North wrote a memo indicating that the meeting was inconclusive? "Mr. POINDEXTER. Colonel North wrote a memo and/or PROFS note. I can't recall right at the moment, you have it as an exhibit, I can't recall what exactly his conclusion was. "Mr. McCLURE. What impression do you have in your mind now about Colonel North's opinion of the Israeli channel following the meeting in London? "Mr. POINDEXTER. I don't--my impression is that he was not as negative as Mr. McFarlane. "Mr. McCLURE. That is the way I remember the testimony.

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			"Mr. POINDEXTER. Yes. "Mr. McCLURE. Was there a specific proposal for action following the London meeting? "Mr. POINDEXTER. Yes, there was--there was discussion with the [P]resident that--in the debrief of the London meeting, as I have testified, Director Casey has memorialized what I consider to be a very accurate description of the President's--what I perceived as the President's thinking at the time [see Tower, at B-50], that he was disappointed that Mr. Ghorbanifar was not going to be a reliable channel, but at the same time he was not willing to give up on this idea of such a project with the Iranians with the broad objectives and with the possibility of getting the hostages back. "So at some point in December--I don't remember exactly when it was--I told the President that I was having my people work with Bill Casey's to review what other possibilities there might be and that we would be back to him after the Christmas holidays, which eventually we did, and the Nir meeting on the 2nd of January was an additional step in that process." (Poindexter Testim., JHICI, 7/21/87, at 41-44; JHICI Ex. JMP 22 [North memo to McFarlane and Poindexter, "Next Steps," 12/9/85].)
85/12/09-171 DECEMBER 10, 1985			BRIEFING THE PRESIDENT AFTER THE LONDON MEETING POINDEXTER DEPOSITION ACCOUNT: "Q. Admiral Poindexter, when McFarlane returned from London he came by and briefed the President and you, didn't he?

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			"A. Yes. I invited him to come on, I think it was, the 10th. "Q. Monday or Tuesday? "A. I think it was Tuesday. "Q. And he had just returned from London. "A. Right. "Q. And McFarlane came with a very negative view of Ghorbanifar; is that fair? "A. He did. "Q. And felt that he wasn't trustworthy? "A. That's correct. "Q. But did McFarlane also convey this view that the Iranians and Israelis indicated that if the process stopped the hostages might be killed? "A. I don't recall Mr. McFarlane having made that comment. "Q. Communicating that comment. I'm not saying that it was something that he was using to advocate. "A. No. I think to some extent he and I felt the same. You know, he and I did not have as strong a feeling about that as Colonel North did. "Q. I say this because the President's notes clearly indicate -- and I think the Tower report revealed it -- that the President understood he was being told that if he stopped he was endangering the lives of these hostages. "A. Because, you know, some people felt that way. Colonel North would be one of those and there may very well have been others that felt the same way. I'm sure that issue was discussed with the President and he may have felt that way about it. I'm just telling you I didn't have as strong

a feeling about it.

"Q. Then give us your explanation as to what kept driving this initiative forward after Weinberger and Shultz were opposed to it from day one, McFarlane returned from London feeling that the intermediary wasn't trustworthy. Where was the support coming from for this?

"A. Well, it was coming from me, from the standpoint that I wanted to get channels in to the Iranian government so we could find out what was going on and try to influence events there and get the hostages out. It came from the President, not so much from the standpoint that if we stopped it would increase the risk to the hostages, but that there was a possibility of getting the hostages out.

"I mean, that was one of his major objectives, was to bring the hostages home. The best description that I have seen in my preparations was the Casey memorandum of that, of Bud's debrief of his London trip that's in the Tower Commission report [Tower, at B-50]. By my recollection, that's a fairly accurate account of the President's mood at that period of time.

"Q. And his mood was that he wanted to try?

"A. He wanted to try. And Mr. McFarlane didn't disagree with that. It's just that he didn't think that Ghorbanifar was the right channel to try and do it, and we didn't have any misconceptions even before he went as to the character of Ghorbanifar.

"Q. You had no reason or basis for disagreeing with McFarlane's assessment that

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			Ghorbanifar was the wrong channel, correct? "A. That is correct, and the efforts with Ghorbanifar after that point were primarily oriented toward opening up another channel. That's one of the reasons that I thought it was important that Mr. McFarlane go to Tehran. "Q. Well, at the time we're talking about, which is December of 1985, the channel was through Ghorbanifar [redacted] right? "A. That's right. "Q. And after -- "A. I'm not sure at what point we learned [redacted] was the man. "Q. I think he's even referred to in this memorandum [Poindexter Dep. Ex. 35]. "A. You're right." (Poindexter, Senate Dep., 6/17/87, at 356-59; Poindexter Dep. Ex. 35 [= JHICI Exx. 45, JMP 21; North memo to Poindexter, "Current Status of Operation Recovery," 12/4/85].)
85/12/09-172 AFTER DECEMBER 8, 1985			GHORBANIFAR'S CHARACTER, GENERALLY POINDEXTER DEPOSITION ACCOUNT: [Continuing from preceding entry:] "Q. Now after McFarlane's trip to London were you told that the CIA did a polygraph on Ghorbanifar? "A. I was aware of that. I'm not sure. I rather think I learned that before he went to London. "Q. I think it was done afterward. "A. I mean they gave him another one, but the Agency had dealt with Ghorbanifar for a period of

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			time. "Q. And he was consistent in his failure of the polygraph test. "A. That is correct. So that's why I say we weren't under any misconceptions as to Ghorbanifar's character once we identified who he was." (Poindexter, Senate Dep., 6/17/85, at 359.)
85/12/09-180 SOMETIME AFTER DECEMBER 8, 1985			BRIEFING THE PRESIDENT AFTER THE LONDON MEETING REGAN DEPOSITION ACCOUNT: "Q. Do you recall that when McFarlane came back from London, he indicated that if you terminated discussions with the Iranians, the hostages could be killed? "A. Yes. "Q. Who[m] did he tell that to? "A. This he said to the President at one of these 9:30 briefings, and, again, I believe it was the President, the Vice President, Poindexter, McFarlane, and myself. "Q. Was there any thought given at that point that you were now in a situation where, having started discussions, you were almost being 'blackjacked' into continuing? "A. I wouldn't say 'blackjacked,' but this was becoming increasingly evident, that unless we got on a new tack, we would, (a) probably never see our hostages; or (b) the whole project would end in dismal failure." (Regan, Senate Dep., 3/3/87, at 60-61.)
			THE IRAN INITIATIVE: SECORD'S ROLE

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DECEMBER 9, 1985			McFARLANE ACCOUNT: McFarlane testifying on North's memorandum of 12/9/85 to McFarlane and Poindexter on the meeting in London the previous day: "Mr. SARBANES. . . .Before you went to London, at that meeting [on Dec. 7 with the President] was there general agreement that there should not be an arms for hostage approach? "Mr. MCFARLANE. Yes[,] sir. "Mr. SARBANES. And that was the instruction the President gave you, is that correct? "Mr. MCFARLANE. Yes[,] sir. "Mr. SARBANES. And when you returned and were debriefed you held strongly to that position, having been through the experience [with Ghorbanifar], is that correct. That is, that was the right policy? "Mr. MCFARLANE. Yes[,] sir. "Mr. SARBANES. Now, you then got this memo from North, who was with you in London, I take it? "Mr. MCFARLANE. Well, I didn't. I didn't. It would appear that I got that memorandum but I didn't. It was addressed to me. It didn't reach me. "Mr. SARBANES. All right now, so you don't recall seeing this memorandum? "Mr. MCFARLANE. No[,] sir. "Mr. SARBANES. North was -- had been with you in London, is that correct? "Mr. MCFARLANE. Yes[,] sir. "Mr. SARBANES. He knew your reaction to this whole approach with Ghorbanifar? "Mr. MCFARLANE. Yes[,] sir.

"Mr. SARBANES. Did he participate in the debriefing when you returned?

"Mr. MCFARLANE. I believe I [sic] did, yes[,] sir.

"Mr. SARBANES. In which you expressed your disgust with Ghorbanifar and his approach to this matter?

"Mr. MCFARLANE. Yes[,] sir.

"Mr. SARBANES. And yet North sends a memo that says, . . .'The meetings this weekend with the Israelis and Ghorbanifar were inconclusive.' . . . Then later in the memo . . . he lists four options, and then he goes on and he says, 'there is a fifth option which has not yet been discussed. . . . We could, we an appropriate covert action finding commence deliveries ourselves, using Secord as our conduit to control Ghorbanifar and delivery operations.'

"Now, I think you testified yesterday that . . . you found it unusual that North should be advancing this position?

"Mr. MCFARLANE. . . . The fact that [another memo] didn't come to me, it wasn't addressed to me, and that this one was espousing ideas [with] which he knew I was in disagreement, it is just very curious. I cannot explain it.

"Mr. SARBANES. . . . [H]ere is North apparently running counter to [the decision of the group on Dec. 7]. Was it a unanimous judgment that you felt you were operating under from the statutory group?

"Mr. MCFARLANE. I thought it was . . . and I just don't have a good answer for you. I can

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			speculate but that is what it is. "Mr. SARBANES. Well, what is your theory? "Mr. MCFARLANE. Well, I have seen references to Director Casey's notes for debriefing, the Post-London meeting in the White House . . . . "They included that the President made the point after I had urged that no further action be approved, that the President said what about letting Israel do it? Can't we just go on that way? "Well, I don't know this, I have no reason to believe it, it is conceivable that the Director who did have quite a strong and understandable commitment to pursuing whatever channel might return the hostages and Mr. Buckley and others saw the President's interest there and thought it feasible to resurrect the idea. Now I don't know that." (McFarlane Testim., JHICI, 5/12/87, at 193-97; JHICI Ex. 45-A.)
85/12/09-400 DECEMBER 9, 1985		THE COSTA RICAN AIRSTRIP: C/CATF's FIRST AWARENESS C/CATF ACCOUNT: "Mr. Carome. Let's turn to the December 9th meeting briefly. What did [redacted] tell you about the meeting? "[C/CATF.] He said -- what he said was that[,] as I recall it, there is an airstrip being built and we talked about that and I said something to [redacted] about [redacted], be careful; do you know what you are doing? "And he said, I know what I'm doing.	

"I said, be very careful. Keep your operations within the bounds of legality and watch yourself.

"He said, [redacted] I know what I'm doing; don't worry about me.

"I said, that is fine.

"Mr. Carome. And as you recollect that meeting, were you surprised that [redacted] was involved in the air strip?

"[C/CATF.] Worried and concerned and told him to be careful and to watch himself. I want to say a word -- you keep watching the clock.

"Mr. Carome. I am given only a small amount of time to ask you questions.

"[C/CATF.] I think if the committee would indulge me and counsel, I think it is important we get these things in context. [Redacted] was in the most difficult situation possible. He was in the southern front [redacted.] He was next to a totally degenerate situation that was just like overboiled spaghetti. His situation was more difficult than mine, more difficult than [redacted] and he had to deal with decisions and situations that I hope no American citizen, certainly no American U.S. civil servant, ever gets put in the m[i]ddle of having to deal with again in terms of the nutcracker I described earlier between the legislative, the executive and operational decisions that are real and emotional and people things. I wouldn't sit in criticism of any decision [redacted] made. He made his decisions the best he could at that point in time. I might have done differently, I don't know. I

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		wasn't there. I told him to watch himself, to keep it legal. "I was concerned about it, but in the final analysis, I trusted his judgment. You will hear that theme go on further as we talk more about [redacted.] "Mr. Carome. Did [redacted] tell you who was building that air strip at that time? "[C/CATF.] He did not. "Mr. Carome. Did you ask him? "[C/CATF.] No, but probably because I assumed it would be private supporters to the resistance. But I don't recall having asked him who was building the air strip." (C/CATF Testim., JHICI, 8/4/87, at 269-70. See id., 8/5/87, at 139-40 [the Costa Rican Airstrip, generally].)	
85/12/09-401 SOMETIME AFTER DECEMBER 9, 1985		THE COSTA RICAN AIRSTRIP: NORTH SHOWS PICTURES C/CATF ACCOUNT: "Mr. Carome. Was there a senior inter-agency group meeting at some later point [see 85/12/09-400] at which Oliver North showed you and other photographs of the [redacted] air strip? "[C/CATF.] Yes, there was. It took place on the 7th Floor in either the Secretary or Deputy Secretary's conference room at the conclusion -- I think at the conclusion of the meeting Oliver North, and there were a gaggle of people there, showed pictures of the air strip in [redacted] and its construction. It was clearly by that time under construction and I remember being somewhat shocked by the fact that he was passing around	

pictures to everybody saying look what was happening.

"Mr. Carome. Who was there?

"[C/CATF.] I can't remember the entire group. Ambassador Dueml ing was there, I think. General Moellering was there. Colonel Crocker, I think Jim Mich[]el must have been there, Elliot[t] Abrams must have been there. I was there. There must have been another senior agency representative there although I am not entirely sure of that. Mr. Sanchez was there, and notetakers from various sections of the Department.

"There must have been a senior, either Deputy or -- [U]nder Secretary or Deputy -- probably [U]nder Secretary Armacost chaired the meeting given the location of it. But I don't recall him having been there. I don't have a clear picture. But there were ten or twelve people there.

"Mr. Carome. You testified in your deposition that you thought it was dumb for Oliver North to pass out these photographs and talk about the air strip at that meeting. Why did you think that?

"[C/CATF.] Because it clearly indicated an involvement that was something more than facilitator at that point in time. As I said in my other testimony, as '86 turned into the Spring of '86, I began to develop a pretty clear understanding of what Ollie was doing and that was something where he was just flashing out neon signs. That was where, to my recollection, and this is something that Counsel Liman was curious about, it is my recollection where I told Ollie, you ought to keep your mouth shut, you ought not to talk so much.

"I read in Ollie's deposition [sic (hearing testimony)] that I said that sometime in '84, and I have no recollection of that. But I have a clear recollection right after that meeting telling Ollie it was a dumb thing and he ought not to be showing those pictures around like that.

"Mr. Carome. Your concern was that Ollie North was talking about it, not that he was doing it; is that right?

"[C/CATF.] It was both. He was putting a lot of people in a very difficult position. I once again, rightly or wrongly -- and this is where I will have to be judged -- took the position, I don't want to know that, I don't want to get involved with it. I was caught in a difficult position. I was going to keep my agency and myself within the bounds of propriety and legality and I would do what I could but there were things that were beyond my powers, sort of the Alcoholics['] Creed comes to mind -- God give me the strength to change what I can and to accept what I can't, and that is kind of where I was.

"Mr. Carome. Did you report these discussions to your superiors at the Central Intelligence Agency?

"[C/CATF.] I can't remember specifically reporting that discussion, but I from time to time discussed my concerns."

(C/CATF Testim., JHICI, 8/4/87, at 270-73.)

85/12/10-050 POINDEXTER'S TRIP TO CENTRAL AMERICA

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DECEMBER 10, 1985		NORTH MEMO: North, attaching "messages to be sent" (see 85/12/05-980), recommends to Poindexter in a memo that Poindexter assure a Central American government that the U.S. intends to achieve victory in Nicaragua. According to North, the Central American government is using its aid to the Contras as leverage to obtain U.S. aid. (North memo to Poindexter, "Trip to Central American Region," 12/10/85 [Committee Documents N 49163 through 49179, at N 49179]. See Iran-Contra Report, at 64. On Poindexter's trip to Central America, see 85/12/09-040 through -060; 85/12/12-200.)	
85/12/10-100 DECEMBER 10, 1985			GHORBANIFAR'S CHARACTER McFARLANE ACCOUNT: Second meeting of the President and his advisors to discuss the Iranian initiative. McFarlane reports his distrust of Ghorbanifar. (JHICI, 6/24/87, at 273 [Eggleston summary].)
85/12/10-150 SOMETIME IN DECEMBER 1985			LEDEEN-GHORBANIFAR CONTACT: CIA AWARENESS GEORGE ACCOUNT: "Mr. Kerr. The first occasion when the operations directorate would have had to learn that Mr. Ledeen was in fact involved with Mr. Ghorbanifar would have been in December of 1985? "Mr. George. Yes, I was puzzled at that because the documents I have been able to get my hands on indicate then a sudden tremendous, everybody in the whole directorate is being wooed and wined by Mr. Ledeen. But I do not know of

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			anyone -- I mean people could have certainly known him socially, but I do not know of anybody doing business with him. "Mr. Kerr. I am driving at the informational exchange between the agency and Ledeen did not occur to the best of of your recollection until late November, early December of 1985, would that be correct? "Mr. George. That is correct." (George Testim., JHICI, 8/5/87, at 286-87.)
85/12/10-151 SOMETIME IN DECEMBER 1985			LEDEEN'S ROLE IN THE IRAN INITIATIVE: GEORGE'S VIEW LEDEEN RESPONSE TO GEORGE: "A. . . . Mr. George said, page 286 [8/5/87; see preceding entry], that in December 1985, 'Everybody in the whole directorate is being wooed and wined by Mr. Ledeen.' In this period, it is true that I was once wined and fed by Mr. George. But the suggestion that I had many contacts with the Operations Directorate in this or any other period is false. "Aside from Mr. George, I know only two or three persons in the entire Directorate, and I most certainly did not seek them out with the exception of Mr. Clarridge whom I was supposed to inform." (Ledeen, Senate Dep., 9/10/87, at 11-12.)
85/12/10-300 DECEMBER 10, 1985			THE IRAN INITIATIVE: SHULTZ HEARS IT IS TURNED OFF DoS CHRONOLOGY: "GPS (in London) is informed by staff that

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			Iranians have rejected MCFARLANE approach and that at a White House meeting that morning, the Iran initiative had been turned off. NORTH reportedly had prepared a paper stating the hostages would die as a result." (JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 85/12/11-400.)
85/12/11-100 DECEMBER 11, 1985			THE 11/85 HAWK TRANSACTION: CIA DISCONTINUED INVOLVEMENT Clarridge cables the CIA officers at two locations still in contact over the HAWK shipment to tell them that "as of late last night the negotiating was still going on. We have just received word now that the deal is apparently all off." (JHICI Ex. C-26. See JHICI, 6/24/87, at 273 [Eggleston summary].)
85/12/11-400 DECEMBER 11, 1985			THE IRAN INITIATIVE: PRESIDENT'S VIEW DoS CHRONOLOGY: "ARMACOST cables GPS that MCFARLANE has recommended dropping the entire enterprise, but the PRESIDENT wants all other avenues 'energetically pursued.'" (JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 86/01/04-100.)
85/12/11-450 DECEMBER 11, 1985			THE IRAN INITIATIVE: DoS VIEW AFTER THE LONDON MEETING SHULTZ ACCOUNT: "Mr. BELNICK. And, in fact, you received a

cable from Under Secretary Armacost [Ex. GPS 17] in December, 1985 after the meeting in which I told you, as you have testified now, and I am quoting, 'Bud's recommendation upon returning from his latest discussions was to drop the enterprise. That has now been agreed, but the President wants other possible avenues for securing the release of the hostages to be energetically pursued.'

"So that by the end of December, your understanding again was this initiative, to the extent that it involved arms for hostages, was done?

"Secretary SHULTZ. Right.

"Mr. BELNICK. Did you then hear--in the words of the movie--that they are back in the beginning of January, 1986?

"Secretary SHULTZ. Well, I received information from Admiral Poindexter about a visit that he had, again I think purporting to be or presumably was on behalf of the Prime Minister of country 1, about another proposal."
(Shultz Testim., JHICI, 7/23/87, at 80-81. For the next proposal related by Poindexter, see 86/01/04-110.)

85/12/12-200
DECEMBER 12,
1985

POINDEXTER'S TRIP TO CENTRAL AMERICA
SUMMARY:

For a narrative of the trip to Central America of Poindexter, accompanied by North, see Iran-Contra Report, at 64. (See also 85/12/09-040 through -060; 85/12/10-050. For Poindexter's notes of his meeting with the President following the trip, see Poindexter Dep. Ex. 1 at p. 16

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		["0930 Meeting with the President 12/13/85"].)	
85/12/15-090 SOMETIME IN DECEMBER 1985		THE RESUPPLY OPERATION: EARLY FINANCING GADD ACCOUNT: "Q. Sir, in December 1985, did you receive an advance for your operating expense for the air resupply operation? "A. Yes. "Q. And did Oliver North in your presence direct General Secord to furnish you with an advance? "A. Yes. "Q. And how much did he direct General Secord to furnish you? "A. $150,000. "Q. How much did you subsequently receive? "A. I believe the figure was $100,000. ". . . . "Q. And this was an advance in order to let you start up with the air resupply and the construction of the airstrip? "A. Correct. "Q. Both activities? "A. Both activities. "Q. And the air re-supply operation comprehended the movement of munitions as well as other goods? "A. In Central America." (Gadd, House Dep., 5/1/87, at 28-29.)	
85/12/15-100 MID-DECEMBER 1985 - MARCH		THE RESUPPLY OPERATION RODRIGUEZ ACCOUNT: After North writes a letter to Rodriguez on	

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1986		September 20, 1985 requesting maintenance space for aircraft in the Central American country where Rodriguez is operating his helicopter project (see 85/09/20-100), Rodriguez calls North to tell him he has made the arrangements. Rodriguez then awaits a letter explaining that a Mr. Green will contact him. In mid-December 1985, Mr. Green (or someone on his behalf) calls Rodriguez. Rodriguez recognizes the voice as that of Rafael Quintero, with whom he had worked in the Bay of Pigs invasion and in programs in Central America in 1963-65. Quintero tells Rodriguez to get authorization for a Boeing 707 with "heavy stuff, which [Rodriguez] understood to be military equipment," to arrive the following day. A Southern Air Transport 707 arrives the next day with 85,000 pounds of ammunition. The manifest ("it was not accurate, because it said only 36 pounds on board") states the load is from a European country. Rodriguez stores the load in a warehouse on the air base. Several other 707-loads of ammunition arrive over the next year. "I would say approximately between five and six. The amount of about 500,000 pounds of equipment that we had stored in the warehouse, give or take." Several ("[l]ess than ten") loads of nonlethal aid arrive by L-100s in early 1986; the material is stored in the same warehouse. In March 1986, the ammunition is delivered from the warehouse to the airport. (Rodriguez Testim., JHICI, 5/27/87, at 229-36.)	

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85/12/15-170 LATE DECEMBER 1985		C/CATF WITH NORTH IN CENTRAL AMERICA C/CATF ACCOUNT, Part 1: "Mr. Carome. In late December 1985, you visited [redacted] with Lieutenant Colonel North; is that correct? "[C/CATF.] That is correct. And along with other members of the administration; that is correct. "Mr. Carome. What was your role on that trip? "[C/CATF.] Whenever a team travelled to Central America, starting from January of 1985, and I believe actually before that, although I can't testify to that specifically, the administration tried to travel as a group to show some form of cohesiveness and unity, and generally there was a representative from the State Department, NSC, the CIA, almost all the time, DOD, and in this case there was a representative from NHAO because NHAO was the major participant. The purpose for that particular trip, the next trip had on it four people, it had Bill Walker representing State Department, a Deputy Assistant Secretary for Central America, Oliver North from the NSC, Chris Arcos, the Deputy Chief of the NHAO office, and myself. "On all of those trips in those early days, my purpose was, A, to be there and to show continuity and, B, to provide intelligence, back-up intelligence briefings and discussions on how things stood with the resistance and the dynamics of the situation. "The purpose of that trip was largely, as I	

recall it, to go to [redacted] and try to deal with what was then a major political problem between the Government of the United States and [redacted] and had tremendous spin-off on policy matters and on the whole NHAO operation.

"Mr. Carome. Felix Rodriguez has testified that not long before your trip to [redacted] in December, a SAT 707 had brought in a large shipment of lethal supplies that was being stored at the warehouse there at the time. Did you know when you were down there in [redacted] in late December that that shipment had been made?

"[C/CATF.] I would have to review the intelligence reporting to see whether or not there was intelligence on it. I do not recall having a knowledge of it, and I was not told by anybody that had it come in there. [Sic.] So at the time we went to [redacted] it was my recollection I was ignorant of that flight, unless there is a piece of intelligence out there that sometime in 1985 I read reporting that flight.

"I do recall some reporting about 707s flying lethal equipment in, but I don't recall it specifically to the [redacted] to that [redacted] to a [redacted] flight."
(C/CATF Testim., JHICI, 8/5/87, at 5-7.)

85/12/15-171
LATE DECEMBER
1985

C/CATF WITH NORTH IN CENTRAL AMERICA
C/CATF ACCOUNT, Part 2:

[Continuing from preceding entry:]

"Mr. Carome. There were large quantities of lethal materials at [redacted] at the time you were there apparently. Did you see those

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		materials? "[C/CATF.] No, I wanted -- excuse me. "(Witness conferring with counsel.) "[C/CATF.] Let me describe to you the [redacted] meeting which was a brief stopover and the [redacted] meeting which was the major purpose for going. The trip was very fast. As I recall, we did it in a day. "We went to [redacted] we stayed there, had meetings [redacted] and then we went to [redacted.] Bill Walker and I stayed in an ante-room along with [redacted] as I have testified in my deposition, and I cannot remember whether or not the Ambassador stayed there or not. "I am just very vague on that point. And Oliver North went off for a private meeting with [redacted.] I did not go to that meeting. I did not leave the general environs of the waiting room at the airport. At that meeting was when I delivered very clear instructions to our [redacted] that we were not to play a role in the management of the [redacted] transshipment operations -- I want to say specifically the NHAO transshipment operation because that is what we were setting up there as the NHAO transshipment operation out of [redacted] -- and that they were only to report in a very fixed term because our role there, as members of the committee, once again, will recall, was to report on the activities and to verify flights landing, flights taking off and so on and so forth. "And I gave him very clear instructions that that is what we were to do and our role was very,	

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		very, very proscribed and that was very difficult for us to understand because we aren't used to doing those kinds of things, we are a pro-active organization, and I think you will see in January and February that there were some problems in [redacted] where [redacted] was trying to figure out what its role was and what was going on down there. But I didn't participate in the meeting, I didn't see any arms there. "Arms being present were not discussed to the best of my recollection on the airplane down, on the airplane back. The transshipment operation and putting in the warehouses for NHAO material and so on and so forth were discussed, the airplane, among ourselves and I presume with the meeting with Oliver North and [redacted.]" (C/CATF Testim., JHICI, 8/5/87, at 7-9.)	
85/12/15-300 MID-DECEMBER 1985			GHORBANIFAR'S MOCK-ASSASSINATION PROPOSAL LEDEEN ACCOUNT: At a mid-December 1985 meeting with Ledeen in Geneva, Ghorbanifar describes to him a mock-assassination proposal: "In addition, he [Ghorbanifar] proposed an operation having to do with Libya. He had developed a channel to Qadahfi, and this channel had introduced Ghorbanifar to Qadahfi as a person particularly well connected with the Mafia, and therefore in a position to carry out Mafia-type activities. "Qadahfi had said that the was willing to pay a large sum of money for the assassination of Mr. Al-Mugarief [sic (Dr. Mahmoud Sulaiman Maghrabi?)]

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			the main exile opposition leader in Libyan politic[]s, sometimes in Ca[ir]o, sometimes in various places in Western Europe. "What Ghorbanifar proposed to us was that a mock assassination of Al-Mugarief be staged, complete with a mock funeral, burial and so forth. That at this point, Qadahfi promised to do a favor in return to the presumed Mafia, so that once this funeral were staged, Ghorbanifar would then ask the Libyans to provide them with their contacts in Western Europe, so that he could use them to go after his presumed political opponents, Iran's presumed political opponents. "He said, therefore, this operation would achieve two results. It would in the end humiliate Qadahfi because at some weeks afterwards, Mr. Al-Mugarief would throw a surprise party and emerge publicly and sa[y] I was not killed. Qadahfi thought he had killed me, but he hadn't. Indeed, we took him for money and made a fool out of him, et cetera, and at the same time expose the European network of Libyans because the presumed Ma[f]ia would by then have been entitled to go back to Libya and say, okay, give us your European people in Western Europe, and the Libyans would have provided information about their people there as well. "Well, that sounded like a good idea to me. And so I came back to Washington, and reported this conversation to North, who thought that was a fine idea, and therefore, I went over to CIA and reported it to the counterterrorism people, Charlie Allen and Clarridge.

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			"Q. Did you report it to anybody else other than the CIA? "A. No. "Q. Anybody else at the CIA other than Clarridge, and who was the other one? "A. Allen. "Q. Allen? "A. Yes, I reported it to Casey. "[Redacted.]" (Ledeen, House Dep., 3/11/87, at 92-94. See id., at 95-98 [Ledeen's dinner with Ghorbanifar, and Ghorbanifar's description of the 11/85 HAWK transaction to Ledeen]. See also Ledeen, Senate Dep., 6/22/87, at 185-89, 192-94, 223-24, 238-42 [Ledeen's meeting with Ghorbanifar, 12/16/85]; Ledeen, House Dep., 3/11/87, at 165-67 [Ledeen's memo for North after the mid-December meeting with Ghorbanifar].)
85/12/15-310 1985-86			WHETHER ASSASSINATION WAS PROPOSED NORTH EXECUTIVE SESSION: "Mr. Liman. . . . We have received information, we don't know how reliable, that Mr. Ledeen had conversations with respect to assassination in Iran, and that that was one of the ultimate objectives of doing business with Ghorbanifar. "I would like you to comment. "Mr. North. No, the proposal was made by Mr. Ghorbanifar to set up a faked assassination of Mr. Magharief [sic (Dr. Mahmoud Sulaiman Maghrabi?)], he is the Libyan former Prime Minister, the guy who was deposed by Qadhafi. He lives in exile

[redacted] and to effect the assassination of this guy, in order to draw -- what Qadhafi inevitably does when he thinks he has somebody, he gets up and crows about it and has the guy stand up and say, ha ha. [Redacted] as a proposal, but no one was to be killed. That is the only one I know of.

"Mr. Liman. Was there a plan, which is what I am interested in, was there a plan as part of the Iran initiative that was ever communicated to you to assassinate the Ayatollah?

"Mr. North. No, not at all.

"[Redacted.]"

(North Testim., JHICI, Executive Session, 7/9/87, at 39-40. On the subject of assassination generally, see id. at 48-49 [North: "I want to assure you, gentlemen, we never, ever talked about assassination. People proposed it, but I never, ever authorized it."].)

85/12/19-200
DECEMBER 19,
1985

LEDEEN-CASEY MEETING
LEDEEN ACCOUNT:

"Q. . . . [There] is a memo in the Tower Commission Report, dated December 10, 1985, where Casey basically says, 'We've met, after McFarlane's trip. McFarlane is down on Ghorbanifar. The president says, "This thing is coming to an end," but I'm not sure how strong his feelings are.' In essence, that is what he is saying. [See Tower, at B-50.]

"Somehow, between December 10 and December 20, 21, the initiative revs up again. Is it your recollection that you didn't know that the President had said no to the initiative on

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			December 10th? "A. No. Well, I didn't know about meetings, per se. It was my sensation that the whole thing was over. "Q. As of December 10th? "A. Oh, well before then. "Q. . . . By December 19, however, I assume you would have had some knowledge that some life was coming back to the Iran initiative? "A. Wrong. "Q. Wrong. Okay. You do not recall discussing that with Mr. Casey on the 19th of December? "A. That is correct. My discussions with Mr. Casey -- well, it would be wrong to say that I didn't discuss Iran with Casey. I certainly did discuss Iran with Casey, and I certainly, on that occasion and every other occasion that I may have seen him, expressed to him my very strong feeling that the kind of contact that had been established with the senior Iranian official [see 85/11/00-200] should be pursued and expanded, and I found it inconceivable that we, as a government, were not doing that. I said I thought we had to do that. "So all of that I would have said, along with all the other stuff. I mean every time I managed to get to a person at that level, I always said that. "Q. Bear with me, Mr. Ledeen. The juxtaposition of events here strikes me, if nothing else, as intriguing. "Allen writes up his memorandum of his meeting

with you of December 4th on December 18th, 1985, and apparently it is put into Director Casey's hands so that he will have it when he talks with you on December 19th, 1985. So I would have thought that one of the things that you all would have discussed is the very things that you discussed with Charlie Allen on December 4th. [See 85/12/04-600 through -603.] Can you recall?

"A. No. Casey, -- I never went through a detailed account with Casey of how the thing had started and how it developed. I did discuss Ghorbanifar with Casey, both on that occasion and on subsequent occasions. I urged Casey a couple of times, I don't remember if at that meeting, but certainly at another meeting, to meet with Ghorbanifar personally to try to form an impression of him, because I stressed to Casey that I had started full of suspicion and that, with the passage of time, bit by bit, I had come to the conclusion that this was a useful person, and that I thought there were things that Ghorbanifar could do for the United States which, so far as I could tell, nobody else could, and that we just could not walk away from such a useful character.

"So that was the bulk of what I was saying, and I thought the Libya thing [see 85/12/15-300] was a good idea, and there were other things that one could do to terrorists that I thought were great ideas. Remember, my passion on terrorism was to find ways to strike both at terrorist organizations and at states that sponsored terrorism; that we were severely limited by law as

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			to what sorts of things one can do. You can't tell anybody. ". . . ." (Ledeen, Senate Dep., 6/22/87, at 189-91.)
85/12/20-000 LATE DECEMBER 1985		DIVERSION SECORD ACCOUNT: Lake Resources applies to the Contra account $800,000 left over from the November 1985 I-HAWK shipment. See col. 3.	DIVERSION: NORTH'S IDEA SECORD ACCOUNT: When Secord became involved in November in the I-HAWK shipment to Iran, Lake Resources received $1 million from Schwimmer to cover transportation costs for the 5 shipments contemplated. When the deal falls through after the first shipment, Lake Resources is left with $800,000 which Schwimmer does not reclaim. North tells Secord in December the Israelis "were not going to ask for it back, and we could use it for whatever purpose we wanted. We actually expended it on the Contra project. . . . I think it was [North's] idea." (Secord Testim., JHICI, 5/6/87, at 23-25; see also, id., 5/5/87, at 229.)
85/12/20-100 DECEMBER 20, 1985		GREGG-RODRIGUEZ CONTACT GREGG CHRONOLOGY: Chronology prepared by Donald Gregg, National Security Adviser to the Vice President, notes Felix Rodriguez' contact with Gregg's office: "On December 20, 1985, Mr. Rodriguez joined in a Christmas party with members of Mr. Gregg's office, where he met all members of Mr. Gregg's staff." (Gregg Dep. Ex. 1 [see 85/06/05-200 for preceding entry in Gregg chronology; chronology continues at	

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		86/01/19-100].)	
85/12/22-100 DECEMBER 22, 1985			LEDEEN'S CONVERSATION WITH THE CIA LEDEEN ACCOUNT: "Q. Turning now to December 7 through 10. As you [are] aware, certainly from the Tower Commission Report, there were two Presidential meetings that occurred during that period of time, one before McFarlane went to London and one that happened after he came back. "What knowledge did you have of those meetings and that trip at that time? "A. None. "Q. When did you become aware of either the meetings or the trip? "A. Sometime around the time of the Tower Commission. "Q. All right. Let me just try to refresh your recollection. The Chief of the [redacted] for the Central Intelligence Agency, reporting on his conversations with you on December 22nd, says that you told him of the position of the various secretaries and the like at Presidential meetings which occurred earlier in the month. "Do you recall knowing that these meetings had occurred? "A. The man is a liar. He lied about almost everything in that document, so far as I can tell. "Q. So you don't have any recollection of either knowing that or saying that to the CIA? "A. No. I absolutely did not know about the meetings, and I absolutely did not say anything of this sort to this man."

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			(Ledeen, Senate Dep., 6/22/87, at 183-84. See Tower, at B-52 and -53 [text of report of meeting with Ledeen by Chief at the CIA's Iran desk on 12/22/85].)
85/12/22-101 DECEMBER 22, 1985			LEDEEN'S CONVERSATION WITH THE CIA LEDEEN ACCOUNT: Ledeen testified further on the CIA memo of a meeting of December 22, 1985 (reprinted in the Tower Report, at B-52 and -53): "Q. Now, the next paragraph of this memorandum talks about the reference we talked about earlier, about a previous meeting [see preceding entry]. Let me read you what he says and tell me if it gives you a refreshed recollection, or if you remember saying these things. "It says, 'Ledeen stated that at a recent high level meeting which included the President, Secretary of State S[]hultz, and Defense Secretary Weinberger at that meeting, a decision was made not to proceed with Ghorbanifar in an effort to release the hostages. S[]hultz and Weinberger reportedly are quite unhappy about this operation.' "First, do you recall relating this description of a high level meeting to this CIA representative? "A. No. "Q. Did you have knowledge of such a meeting at that time? "A. No. I had knowledge of earlier meetings at the beginning of the project, at which time

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			both S[]hultz and Weinberger -- my understanding had been that both S[]hultz and Weinberger had been opposed to it, but I had no knowledge of a recent meeting. "Q. Specifically, did you have knowledge of a recent meeting that included the President of the United States? "A. No. "Q. Did the CIA agent relate to you his knowledge of such a meeting? "A. I don't think so. "Q. Okay. As of today, do you have any knowledge of the basis for this representation in this December 25-26 memorandum [sic (document undated)]? "A. No. I would guess that he misunderstood something I may have said about a meeting back in July or August of 1985 to refer to something which had happened recently. That is the only explanation I can give you. "Q. To make sure we are on the same wave length, though; you, at that time, did not know of the meetings of December 7th or December 10th that included the President? "A. I don't know today about the meetings of December 7th, December 10th. "Q. But you certainly didn't know then? "A. No." (Ledeen, Senate Dep., 6/22/87, at 242-43.)
85/12/22-102 DECEMBER 22, 1985			LEDEEN'S CONVERSATION WITH THE CIA: OVERCHARGING THE IRANIANS LEDEEN ACCOUNT:

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			[Continuing from preceding entry:] "Q. . . . Then we come to the famous aside -- he says, 'That as an aside, Ledeen noted they had purposely overcharged the Iranians and had used about $200,000 of these funds to support Ghorbanifar's political contacts inside Iran.' Did you say that? "A. I don't think I said it. I don't think I drank that much. What he probably -- what I may have said was that, because I believed it, was that Ghorbanifar had spent a significant amount of his own money to support people inside Iran, and he hoped to be able -- that in the future, he would be able to recoup this in one way or another. "But I did not have then, and I will say again, I do not now have any basis for believing that commissions were paid to anybody in this affair. I just don't -- I have never seen any proof of it. I have heard a million and one allegations, but I have never seen any evidence. "Q. Did you know then, in December of 1985, of any conscious overcharge for the purpose of generating monies that would be used by Ghorbanifar to pay -- whether you call it commissions, bribes, gratuities, gifts, whatever -- to Iranians? "A. No, I didn't. I knew that there had been, if you want to put it this way, a deliberate overcharge, as I testified last time. "Q. Make the distinction for me again. When you use that term, what are you referring to? "A. What I am referring to is the necessity

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			of generating money to cover the purchase of replacement weapons and the expenses associated with the operation, travel, transport, insurance, pilots, airplane rentals, all that sort of thing. "Q. But for the purpose of putting cash money in people's pockets, that would not be used to pay for airplanes, or missiles, or things like that, you did not understand that to have been part of the deal? "A. That is correct. Indeed, I would, and have put it more strongly, which was I believed we had an explicit understanding, at least with the Israelis, that there was to be none of that, and there would be none of that." (Ledeen, Senate Dep., 6/22/87, at 243-45.)
85/12/23-000 A FEW DAYS BEFORE CHRISTMAS 1985		CASEY-SECORD CONTACT SECORD ACCOUNT: At DCI Casey's request, Gen. Secord meets with him at his Langley office to discuss Central America. Secord tells Casey he needs intelligence information; Casey is noncommittal. They meet again in Feb. and May of 1986. (Secord Testim., JHICI, 5/5/87, at 193-95; see also id., 5/5/87, at 197-201.)	
85/12/23-010 SOMETIME IN DECEMBER 1985		CASEY-SECORD MEETING GEORGE ACCOUNT: "Mr. Sarbanes. Are you familiar with the testimony that Secord met with Casey around Christmas of 1985, about a month before you saw Secord in the Situation Room, to thank him for the work he was doing and to say he did a good job?	

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		[See 85/12/23-000; and Secord Testim., JHICI, 5/5/87, at 195.] "Mr. George. I saw that on the television or read it. If he said that is what he did, I wouldn't be surprised Secord saw Casey. William Casey's door was an open door, he would receive anyone to talk to. "Whether Bill Casey saw Dick Secord to thank him for all the wonderful things he had done, I don't know." (George Testim., JHICI, 8/6/87, at 112.)	
86/00/01-005 1985-86		DIVERSION SUMMARY: For a narrative account of the diversion, see Iran-Contra Report, at 269-75.	DIVERSION SUMMARY: See col. 2.
86/00/01-010 SOMETIME IN JANUARY 1986		DIVERSION: THE BATHROOM PROPOSAL NORTH ACCOUNT: North described how the decision to divert money from the Iranian arms deals to the Contras was arrived at: "When Mr. Nir arrived in the United States in the end of December or early January of 1985, early '86, the principal concern that he had, as he expressed it to me, was to keep this initiative moving, to further the goals that--that I clearly understood of an opening to a more moderate regime in Iran, to get beyond the obstacle of the hostages, in other words, to recover them safely, because they were both a legitimate political problem here in the United States--you couldn't deal with Iranians without getting beyond	DIVERSION: REPLENISHMENT NORTH ACCOUNT: "So Mr. Nir was the first person to suggest that there be a residual and that the residual be applied to the purpose of purchasing replenishments and supporting other activities." (North Testim., JHICI, 7/8/87, at 33.) See col. 2.

that--and to carry out a hoped-for, and I think successful while we did it, program of reducing Shiah-sponsored terrorism.

"He also had as a very obvious goal, insurance that the Israeli TOWs that had been shipped in September be replenished and that the Hawks which were sitting in Iran at the time be returned to Israel.

"I had by this time absolutely come to the conclusion that there was no way to do it by having the Israelis walk into the Pentagon and buy 508 new TOWs without it becoming a public issue. They knew that and I knew that.

"So Mr. Nir was the first person to suggest that there be a residual and that the residual be applied to the purpose of purchasing replenishments and supporting other activities.

"At that point in time, in early January, he did not raise with me the specifics of supporting the Nicaraguan resistance. That proposal came out of a meeting in--as I recall, later in January, where I met with Mr. Nir and Mr. Ghorbanifar--I am going to say London or it may have been Frankfurt or it may have been elsewhere--and in that meeting I expressed our grave reservations as to how the structure--which at that point in time focused on several thousand TOWs--would result in what we wanted, and what we wanted [was] laid out very clearly in the January findings.

"What we wanted was a more moderate regime ultimately in Iran, the cessation of Iranian Shiah fundamentalist terrorism, and the return of the American hostages, which I viewed as an obstacle

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		that we had to overcome as a first step. "I expressed our reservations that the arrangements that were being made by Mr. Ghorbanifar--and by then acting on our behalf as well as the Israelis[']--were not going to lead to what we wanted. "What we wanted as a part of that overall program was to establish a higher level meeting well above my pay grade. In fact, I suggested a number of people--and I'm sure you have seen it in my messages to my superiors--a number of people who could meet with senior Iranian officials and various ways in which that could happen. "In that January meeting I told him that I was not confident that we were headed in the right direction, and I tape recorded that meeting. Mr. Ghorbanifar by then was aware of my role in support for the Nicaraguan resistance. He had seen my name in the newspapers. He is a very well read individual. I had been told by the Central Intelligence Agency, by Director Casey himself and by others in the CIA, that they believed Mr. Ghorbanifar to be an Israeli intelligence agent. "Mr. Ghorbanifar took me into the bathroom and Mr. Ghorbanifar suggested several incentives to make that February transaction work, and the attractive incentive for me was the one he made that residuals could flow to support the Nicaraguan resistance. "He made it point blank and he made it by my understanding with the full knowledge and acquiescence and support, if not the original idea of the Israeli intelligence services, if not the	

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		Israeli Government." (North Testim., JHICI, 7/8/87, at 32-35. See id., 7/10/87, at 38-39 [Ghorbanifar suggests diversion].)	
86/00/01-011 SOMETIME IN JANUARY 1986		DIVERSION: THE BATHROOM PROPOSAL NORTH ACCOUNT (cont'd): "Mr. NIELDS. I think you have testified earlier that the thing that made this project truly appealing to you for the first time was when you learned in January from Ghorbanifar that the money could be used to support the contras. "Mr. NORTH. No, the way I put it was Mr. Ghorbanifar was trying to encourage us to proceed with the initiative. I had, in accord with my instructions, carried to that meeting very strong reservations on our part that what he was doing in this transaction or the transaction which was first proposed in January was going to lead to accomplishing our objectives. "So I went in there, and I said, 'Look, these things are not going to work. It is not going to get us from where we are today to where we want to be tomorrow.' "He started offering incentives to make it more palatable. That is when he suggested, 'Well, look, we will just use some of that money to support the Nicaraguan Resistance. I have read about you. You have been in the papers.' In fact, by then I think I had even been in Izvestia. "'And I know what you really do in your spare time. You support the Nicaraguan Resistance, don't you?' I said, '[A]mong other things.' He	DIVERSION: THE BATHROOM PROPOSAL NORTH ACCOUNT: See col. 2.

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		said, 'Why don't you use some of this money for that purpose?' "And, as I described to you before, we took recess, I thought it was a right good idea, and I came back and advocated it, and we did it. "Mr. NIELDS. Even Ghorbanifar knew that you were supporting the contras? "Mr. NORTH. Yes, he did. Izvestia knew it. My name had been in the newspapers in Moscow, all over Daniel Ortega's news casts, Radio Havana was broadcasting it. It was in-- "Mr. NIELDS. All our enemies knew it, and you wanted to conceal if from the United States Congress? "Mr. NORTH. We wanted to be able to deny a covert operation for the very purpose that I described to you yesterday, Counsel." (North Testim., JHICI, 7/8/87, at 71-72.)	
86/00/01-012 SOMETIME IN JANUARY 1986		DIVERSION: THE BATHROOM PROPOSAL NORTH ACCOUNT (cont'd): North testified on the source of the idea to divert funds from the Iran arms sales to the Contras: "I would kind of like to take credit for it instead of giving it to Mr. Ghorbanifar, but my recollection is it was his idea." (North Testim., JHICI, 7/10/87, at 45.)	DIVERSION: THE BATHROOM PROPOSAL NORTH ACCOUNT: See col. 2.
86/00/01-040 SOMETIME IN JANUARY 1986		THE IRAN-CONTRA CONNECTION: GENESIS NORTH ACCOUNT: Ghorbanifar's bathroom proposal, North agreed, "was the genesis of the connection between Iran	THE BATHROOM PROPOSAL AND WHY THE IRAN INITIATIVE CONTINUED NORTH ACCOUNT: "Mr. MCCLURE. As a matter of fact, you had

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		and the contras." See col. 3.	meetings with Mr. Nir at the end of December or early January, and nothing was said about the diversion of the funds or the use of the funds derived from arms sales with respect to the contras; he was talking about the use of proceeds for other covert activities? "Mr. NORTH. That's correct. "Mr. MCCLURE. And the U.S. Government at that time, both yourself and others, were still saying no? "Mr. NORTH. That's correct. ". . . . "Mr. MCCLURE. That went on through December and into January, and then later you had this meeting somewhere in Europe with Mr. Ghorbanifar in the bathroom, when he suggested to you wouldn't it be a great idea to use the Ayatollah's money to support the contras? "Mr. NORTH. That's correct, sir. "Mr. MCCLURE. And that struck a spark with you? "Mr. NORTH. It did indeed. "Mr. MCCLURE. He found the right sales pitch? "Mr. NORTH. A one-two punch. "Mr. MCCLURE. With one guy. "Mr. NORTH. Yes, sir. "Mr. MCCLURE. Nevertheless that was the genesis of the connection between Iran and the contras? "Mr. NORTH. Yes, sir, it was. "Mr. MCCLURE. In spite of the fact that some people will point to an earlier time when you had called upon General Secord and Lake Resources to

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			help expedite the shipment in December? "Mr. NORTH. And that was the sole purpose in calling upon him in November. "Mr. MCCLURE. But it had nothing to do with an Iran-contra connection at the time? "Mr. NORTH. It did not." (North Testim., JHICI, 7/14/87, at 60-62.)
86/00/01-042 JANUARY 1986 AND THEREAFTER		THE BATHROOM PROPOSAL: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. NUNN. . . . Did Colonel North tell you about his meeting with Ghorbanifar in the bathroom that he related to this committee? "Mr. POINDEXTER. I don't recall that. I don't believe that I was aware that the idea had initiated with Ghorbanifar. "Mr. NUNN. Well, he said that Nir, I believe Nir had mentioned the possibility of generating funds, but Ghorbanifar went further and said specifically the contra money could be raised from the arms sales. "That is paraphrasing, but I think that is close. "Mr. POINDEXTER. Yes-- "Mr. NUNN. You don't remember him telling you that? "Mr. POINDEXTER. I don't remember anything about Ghorbanifar. I do believe that in the discussion in February of 1986, Mr. Nir's name came up. But I don't recall anything about Ghorbanifar. "Mr. NUNN. Do you remember anything about Ghorbanifar and North in the bathroom being told	THE BATHROOM PROPOSAL: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT: See col. 2.

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		to you? Either orally or from personal observation? You don't know anything about it? "Mr. POINDEXTER. I don't know anything about Ghorbanifar in the bathroom." (Poindexter Testim., JHICI, 7/17/87, at 119-20.)	
86/00/01-046 JANUARY 1986 AND THEREAFTER		THE BATHROOM PROPOSAL AND WHY THE IRAN INITIATIVE CONTINUED POINDEXTER ACCOUNT: See col. 3.	THE BATHROOM PROPOSAL AND WHY THE IRAN INITIATIVE CONTINUED POINDEXTER ACCOUNT: "Mr. NUNN. . . . Basically, Colonel North did relate to you . . . his reservations, but let me frame the question this way. "Did he relate to you this new incentive that was related to him by Ghorbanifar in the bathroom; that is, the idea of getting additional funds from the sales of arms to Iran to use in the contra operation? "Mr. POINDEXTER. I don't recall that the conversation went in that direction. My recollection of it is that this was an additional benefit that we would get out of the Iranian project that I certainly had not anticipated. "Mr. NUNN. Well, he testified, and let me just make this clear so the record will be clear, Colonel North testified that Ghorbanifar took him into the bathroom and 'suggested several incentives to make that February transaction work and the attractive incentive for me was the one he made that residuals could flow to support the Nicaraguan resistance.' "He expressed before that that he had great reservations until that event occurred. "So your testimony is he didn't convey this

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			sense of shifting of priorities to you? "Mr. POINDEXTER. I don't recall that he did. "Mr. NUNN. Because he testified, as I understand his testimony, that really he was pessimistic about achieving the original [goals] which were set forth in that January 17th finding . . . and he then shifted in his own mind as the principal operations officer to a more attractive goal, and that is raising funds for the contras? "Mr. POINDEXTER. I do not recall now that I drew that kind of conclusion that he had made. "Mr. NUNN. If you had, and I realize this is hypothetical, if you had drawn that conclusion, would you have then had a different view about your obligation to report to the President that the chief operating officer had shifted goals that he thought were achievable? "[Counsel conferring with witness.] "Mr. POINDEXTER. I--as I said, I don't recall Colonel North making that so obvious at the time, that he felt that way about it. But that was very early in the Iranian project. The President had made very clear to me, I felt, that he wanted to continue with the project, even after the negative report from Mr. McFarlane about the character of Ghorbanifar. "So we had--the President and I and others had no misconceptions about the channel that we started on, but I think that we both, the President and I, saw Ghorbanifar as an opportunity to start talking with some Iranians. "One of the early objectives was to get a meeting in Tehran so that we could identify some

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			other channels. "Mr. NUNN. Admiral, I don't want to cut you off, but I need to pursue some other lines. I just asked you if you had gotten the same interpretation that Colonel North gave this committee, that is that the only [sic (original?)] goals he wasn't very optimistic about, but the new goals, the new possibility of raising funds for the contras was a major factor; if you had had that presented that way from him, would that have changed your view about the necessity of reporting to the President? "Mr. POINDEXTER. I don't know. You know, it is a hypothetical question." (Poindexter Testim., JHICI, 7/17/87, at 123-25.)
86/00/01-050 JANUARY 1986		DIVERSION: SUMMARY OF ITS BEGINNING NORTH ACCOUNT: "Mr. NORTH. . . . The very first mention of use of residuals came from an Israeli official who was meeting with me in early January. The original express purpose was to pay for the replacement of TOW missiles the Israelis had sent in August-September of 1985 and for the purpose of supporting other operations. "The actual proposal to have funds generated by the sale of the munitions to Iran and use funds from that sale to support the Nicaraguan resistance came in a meeting with Manucher Ghorbanifar in Europe at the end of January 1986. "Mr. BROOMFIELD. Why was it necessary, though, to get into other areas of covert activity outside of the normal channels of where a	DIVERSION: SUMMARY OF ITS BEGINNING NORTH ACCOUNT: See col. 2.

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		president has to submit a finding and so forth? Why was that necessary? "And you indicated, I think, this morning, that it was only a short-term operation. Why was it even short-term? I mean, what brought that about? "Mr. NORTH. Well, there was no other source of monies for those activities. "Mr. BROOMFIELD. Was it the fact that Congress continued to refuse to supply adequate funding for the CIA operation? "Mr. NORTH. Exactly. I mean, the Congress had cut off all use of U.S. monies. In fact, before the rigid proscriptions of Boland in October of 1984, the CIA had long before run out of money to support the resistance." (North Testim., JHICI, 7/13/87, at 106-07.)	
86/00/01-055 DURING 1986		DIVERSION, GENERALLY, AND GHORBANIFAR'S ROLE POINDEXTER ACCOUNT, Part 1: "Mr. RUDMAN. . . . I want to talk about the diversion just very briefly. I listened to your testimony very carefully, Admiral, and it seems to me that what you have said, and I think I am quoting on part verbatim, was that the diversion did not establish a new policy. It was merely an implementation of a present policy, i.e., the President's strong commitment to supporting the contras; is that correct? "Mr. POINDEXTER. That is correct, Senator. "Mr. RUDMAN. Did I understand you to say that this . . . was like an individual making a contribution, or did I incorrectly understand you?	DIVERSION, GENERALLY, AND GHORBANIFAR'S ROLE POINDEXTER ACCOUNT: See col. 2.

"Mr. POINDEXTER. I think I described it as my thinking at the time was that it could be considered as a contribution from a private individual or we could have considered it as funds from a third country.

"Mr. RUDMAN. Well, that was my next question because I thought I heard you say that.

"Mr. POINDEXTER. I did.

"Mr. RUDMAN. I wanted to point out some distinction here. It seems to me--I won't talk about the individual because I just don't understand that--as far as the country, a donation from a third country like countries 1, 2, 3, 4, 5 and 6--counsel, are we beyond 6 now?

"Counsel says we are up to 111.

"Mr. POINDEXTER. I wish there had been that many.

"Mr. RUDMAN. Counsel says 1 through 6.

"In terms of Iran, which we don't have to call by number, it would be a very unique third country donation in this sense; it would be the only third country donation in which the donor was unaware of the identity of the donee; isn't that correct?

"Mr. POINDEXTER. Well, I wish that I understood better and knew what, exactly what the Iranian officials were thinking. I don't frankly know what they were thinking or what they might have suspected.

"One of our problems in the whole Iranian project, and one of the reasons that I frankly was personally interested in proceeding with it was the possibility of gaining better intelligence as to what the Iranians were thinking.

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		"I really--I agree with you that it was an unusual situation, but as to what the Iranians suspected, what they knew, as it turns out, what Mr. Ghorbanifar may have told them, I don't know. "Mr. RUDMAN. Admiral Poindexter, you are a very competent man and you were, I think, a very good National Security Adviser, with a couple of mistakes along the way. But let me say, Admiral, you are not submitting to this committee your view that the Iranians were anxious to help the contras? "Mr. POINDEXTER. We made the point to them, Senator, that we didn't want them helping the Sandinistas. We also-- "Mr. RUDMAN. We understand that. "Mr. POINDEXTER. We also made the point to them that we would appreciate their helping more in Afghanistan. They probably were not very interested though in helping the contras." (Poindexter Testim., JHICI, 7/17/87, at 160-62.)	
86/00/01-056 DURING 1986		DIVERSION, GENERALLY, AND GHORBANIFAR'S ROLE POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. RUDMAN. But Ghorbanifar, it well may turn out, was not telling his superiors, whoever they might be, and I am not sure we will ever know-- "Mr. POINDEXTER. I am not sure either. "Mr. RUDMAN. He wasn't telling them what he was doing. It seems to us looking at that, I want to ask you a question and it may get to the area of a hypothetical, but occasionally you are	DIVERSION, GENERALLY, AND GHORBANIFAR'S ROLE POINDEXTER ACCOUNT: See col. 2.

allowed to ask hypothetical questions.

"I would just observe to you that it at least seems to us looking at the strong body of evidence we have before us, that there is no way that you can't come to at least a partial conclusion that Ghorbanifar who is known to be able and shrewd and extraordinary as a bargainer, was throwing out some bait here to see whether the United States would buy it to reach his objective, which might have been to profit for himself as much as to help the Iranian Government; is that an unfair conclusion?

"[Counsel conferring with witness.]

"Mr. POINDEXTER. Clearly Ghorbanifar, Mr. Ghorbanifar, has a very poor reputation with people in this Government.

"Mr. RUDMAN. We will stipulate to that, Admiral.

"Mr. POINDEXTER. And we knew that and one of our objectives once we got into this was to bypass him as soon as possible.

"What he was thinking and what he was doing, I just--it really would be pure speculation on my part.

"Mr. RUDMAN. Well, it is speculation, but certainly knowing Ghorbanifar and knowing that he badly wanted to get into this act for one reason or another, certainly it is not--knowing Ghorbanifar as you knew him from reports--it would not be unusual to think he would do all he could to give us incentives to do what he wanted done.

"Is that not correct? That is not an unreasonable hypothetical.

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		"Mr. POINDEXTER. I think Mr. Ghorbanifar was clearly anxious for us to get into the project and clearly anxious for us to continue. I think in the process of bypassing him that although I think was a good objective, it did create problems of its own. [Sic.]" (Poindexter Testim., JHICI, 7/17/87, at 162-64.)	
86/00/01-060 AFTER DECEMBER 1985			WHY THE IRAN INITIATIVE CONTINUED NORTH ACCOUNT: "Coming back from the rather unsuccessful trip with--at which Mr. McFarlane met with Mr. Ghorbanifar, the next thing that really transpired was Mr. Nir showing up on the scene with an emphatic proposal that this should continue, that the initiative was worth the risk, and the new finding, if you will, the January 6th and then--maybe it was the 7th. Anyway, there was a version of the 6th or 7th that was then handwritten in a--words that had been left out of it." (North Testim., JHICI, 7/13/87, at 193. See JHICI Ex. OLN 268-C ["and third parties" handwritten into the first paragraph of signed 1/6/86 Finding].)
86/00/01-070 AFTER DECEMBER 1985			WHY THE IRAN INITIATIVE CONTINUED NORTH ACCOUNT: "Mr. NUNN. . . . [On July 8, 1987,] you expressed 'grave reservations' --and this goes to the time frame at the end of '85, 1985 or early 1986, quoting you, page 33 of your testimony--'grave reservations about the state of

negotiations at that point with the Iranians,' and so forth, relating to the overall initiative.

"You stated, 'In that meeting, I expressed our grave reservations as to how the structure, which at that point in time focused on several thousand TOWs, would result in what we wanted and what we wanted were laid out very clearly in the January findings.'

"Do you recall that, sir?

"Mr. NORTH. The meeting I am referring to, I believe . . . was a meeting with the Iranians, probably Mr. Ghorbanifar.

"Mr. NUNN. Right. That's correct.

"Mr. NORTH. That was probably the January 20 or 17 or 30, or whatever that meeting was at the end of January.

"Mr. NUNN. Of '86?

"Mr. NORTH. Yes, sir.

"Mr. NUNN. Was Mr. Nir at that meeting? . . .

"Mr. NORTH. Yes, he was.

"Mr. NUNN. When you say you have grave reservations at that time, Colonel North, about the plan and whether it would achieve the findings, which findings did you have reservations about the likelihood of achievement at that stage?

"Mr. NORTH. The January 6th or 17th finding.

"Mr. NUNN. Was that where the President set forth his goals of, I believe you described it as a strategic breakthrough in relations with Iran as one goal; to end the Iran-Iraq War as another goal; and to get the hostages back as a third goal?

"Mr. NORTH. If you are not asking me to

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			recollect directly from a finding, yes. Yes. And to rescue American hostages also. "Mr. NUNN. I listed that as a third goal. "Mr. NORTH. Yes. ". . . . "Mr. NUNN. . . . At that time you had reservations about the likelihood of achieving those three goals, is that what you are saying here in this quote? "Mr. NORTH. The concerns that I had w[ere] that we weren't getting to meet with the Iranian officials that we sought to meet face to face with, and I was instructed to express those concerns and I did so. "Mr. NUNN. Well, you stated here you had grave reservations as to how this would result in achieving what you were trying to achieve in the January finding. So you were concerned that the way it was going, you weren't going to be able to achieve those goals, so it really wasn't going the way you had hoped; is that right? "Mr. NORTH. That is correct." (North Testim., JHICI, 7/14/87, at 96-100.)
86/00/01-073 AFTER DECEMBER 1985			WHY THE IRAN INITIATIVE CONTINUED POINDEXTER ACCOUNT: "Mr. NUNN. Colonel North testified that in January of 1986, he had, quoting him, 'grave reservations' about the wisdom of the Iranian initiative. "Did Colonel North express those reservations to you? "Mr. POINDEXTER. I think I was aware that

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			Colonel North had a little more difficulty than I did in drawing the fine line that the President was drawing. You see, as I have testified before, even if you forgot about all of the other aspects of the Iranian project, and only addressed the hostage portion of it, which was not, as I have testified before, not the totality of the President's thinking on the subject, but if you isolated everything else and just considered that separately, even then the President did not consider that it was arms for hostages, because we were talking about selling arms to the Iranians to put pressure on the Hizballah, who were the captors of the hostages, to release them. "Mr. NUNN. Admiral, I am puzzled on that point because you keep saying that, but you keep also describing the hostages as being an obstacle to establishing the new strategic relationship with the Iranians, is that right? "Mr. POINDEXTER. That is right, because we thought that that was a very good test as to whether the Iranians were really serious. "Mr. NUNN. But if they are not the ones holding the hostages, how can the release of the hostages be a necessary condition precedent to establishing a relationship with Iran? "Mr. POINDEXTER. They can put pressure on the Hizballah. "Mr. NUNN. So you thought they had some connection with the terrorists then? "Mr. POINDEXTER. We thought they had some connection with the Shia fundamentalist groups in Lebanon in terms of providing financing and

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			assistance. "Mr. NUNN. Does that disassemble the statements that have been made that you weren't giving arms to terrorists? I don't see how you can have it both way[s], Admiral. "I know there are fine lines here, but it seems to me that was cut a little too fine. "Mr. POINDEXTER. The problem that we saw was that there were many different factions in Iran. Some felt that hostage taking was appropriate, others felt that it wasn't. Some were opposed to continuing terrorism, some felt that the use of terrorism had not served Iran well and wanted to make a change for the better." (Poindexter Testim., JHICI, 7/17/87, at 121-22.)
86/00/01-075 AFTER DECEMBER 1985		DIVERSION AND WHY THE IRAN INITIATIVE CONTINUED NORTH ACCOUNT: See col. 3.	WHY THE IRAN INITIATIVE CONTINUED NORTH ACCOUNT: "Mr. NUNN. When you came back [from the January 1986 meeting with Ghorbanifar] obviously your perspective had changed somewhat. You were not very optimistic at that stage about achieving those original finding goals, but you had become more optimistic and more enthused because of the new incentive of being able to create a residual? "Mr. NORTH. I want to go back for a moment to clear up the record if there is confusion. "The original proposal for the creation of residuals came from Mr. Nir, and that was to conduct other operations and to replenish the Israeli TOWs that had been shipped the year before. Later in January at the meeting in--I can find out, I think it was either London or

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			Frankfurt, I am sure--when Mr. Ghorbanifar suggested his incentives, he also coupled that with a promise of a meeting in February with Iranian officials, and so for those two reasons, the promise of a meeting with Iranian officials and the attractiveness of what I saw as the use of residuals to support the resistance, I came back and advocated that we pursue the initiative. "Mr. NUNN. At that point, did you make it pla[in] to Admiral Poindexter, who I believe was your superior at that time? "Mr. NORTH. Yes. "Mr. NUNN. Did you make plain to him that one of the main reasons you were more enthused at this stage was based on the residual possibility? "Mr. NORTH. Yes, I am sure that I told him, look; the meeting in London has resulted in two things, if not several other arrangements that were logistically improved in terms of how you do things, but those two principal factors. "Mr. NUNN. Could you repeat those just for clarity here? "Mr. NORTH. One, the use of residuals to support the Nicaraguan resistance and No. 2, the promise of a direct face-to-face meeting with Iranian officials, which indeed took place. "Mr. NUNN. You are clear that you told Admiral Poindexter that. Did you tell him orally or in writing or both, do you recall? "Mr. NORTH. I don't recall. "Mr. NUNN. There is no doubt that you told him about both of those at that stage? "Mr. NORTH. There is no doubt in my mind.

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			"Mr. NUNN. Wouldn't you think at that stage, Colonel North, that Admiral Poindexter had an acute obligation to share that with the President of the United States? "Mr. NORTH. Well, as I have--that is kind of like the other question you asked me, Senator. I have testified again as to what I knew and what I assumed others knew and what others told me to do. ". . . . "Mr. NUNN. . . . Colonel North, it seems that was a very important new dimension to the original finding, both of those matters, both of those two things I think were very important. You properly told Admiral Poindexter. Didn't you expect that the President of the United States would be informed about those two new incentives? "Mr. NORTH. Yes. Again, as I said, I had expectations throughout my tenure that when it was appropriate that my superiors solicit and obtain the President's permission to do things, that they had done so. And I proceeded through my tenure that way. "Mr. NUNN. I think that was an appropriate assumption because it seems to me it was enormously importan[t] since the original finding, the principal operations officer out there had become less optimistic about the original goals of that January finding and the principal operations officer had become more enthusiastic because of two new incentives, it seems to me that there was an imperative obligation on the part of Admiral Poindexter to convey that to the President of the United States."

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			(North Testim., JHICI, 7/14/87, at 102-05.)
86/00/01-080 AFTER DECEMBER 1985		DIVERSION: WHY THE IRAN INITIATIVE CONTINUED POINDEXTER ACCOUNT: "Mr. LIMAN. And Colonel North said that when the idea of the diversion was first suggested to him, he was becoming disillusioned with the Iranian Initiative, and that the notion of a use of the proceeds for the contras was one of the inducements that he saw in the continuing adventure. Did he ever tell you that? "Mr. POINDEXTER. I frankly don't recall that being a big part of the issue. The President, from the earliest discussions to which I--in which I took part, which would have been, by my recollection, the 7th of December, 1985--the President never viewed this as arms for hostage. Now-- "Mr. LIMAN. But he never viewed it as arms for support for the contras either. That is the point that I am trying to get at. "Mr. POINDEXTER. The point is that regardless of what Colonel North felt about the project and his, as he has described it, distaste for arms for hostage, the President never viewed it that way. He felt that, our intelligence indicated that the hostages were being held by various factions of the Hizballah in Lebanon. We knew the Iranians had some influence over them. We never felt that they had total control over them, and the President never viewed it as the arms that we were considering selling to Iran as going to the captors that held the hostages. So in the	DIVERSION: WHY THE IRAN INITIATIVE CONTINUED POINDEXTER ACCOUNT: See col. 2.

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		President's mind, he did not view it ever as arms for hostages. "And so whether Colonel North was--his feelings about that issue would not have been particularly persuasive, in my view, at the time. "Mr. LIMAN. Did you see as one of the benefits of the Iranian arms sale that money would be generated for the contras? "Mr. POINDEXTER. No, that did not play a single part in my mind or the President's mind in deciding to go ahead with the Iranian project." (Poindexter Testim., JHICI, 7/15/87, at 126-27.)	
86/00/01-081 DURING 1986		DIVERSION: WHY THE IRAN INITIATIVE CONTINUED POINDEXTER SECOND ACCOUNT: "Mr. NUNN. . . . Admiral, this is one other question on the transcript here. This is from your recent testimony, July 15 . . . . ". . . . "Mr. NUNN. . . . Mr. Liman asked this question. 'Did you see, as one of the benefits of the Iranian arms sale, that money would be generated for the contras?' "Do you see that, counsel? "Mr. BECKLER. Yes, sir. "Mr. NUNN. Answer, Admiral Poindexter, 'No. That did not play a single part in my mind or the President's mind in deciding to go ahead with the Iranian project.' "Do you, Admiral--I know that can be read two ways. But one way is, of course, that the President knew about this, but it wasn't part of his deliberative process. There were other	DIVERSION: WHY THE IRAN INITIATIVE CONTINUED POINDEXTER SECOND ACCOUNT: See col. 2.

reasons for going ahead with the sale. Would you want to comment on that reading, possible reading of that answer?

"Mr. POINDEXTER. The way that should be read is--the way I intended it was that it didn't enter the President's mind because he never knew anything about it.

"Mr. NUNN. That seems to me an entirely gratuitous statement, if he didn't know anything about it. You so clearly established the President didn't know anything about it. Why do you throw that out?

"Mr. POINDEXTER. Well--

". . . .

"Mr. POINDEXTER. I guess it was sloppiness on my part. I should have been more precise. The possibility of transferring residuals from the Iranian project to the contras did not come to my attention until after the January 17 finding was signed.

"Therefore, it didn't play any role in any recommendations I made to the President. And I guess, you know, with hindsight, I should have left the President completely out of that answer, because it is possible to draw another conclusion.

"I made a mistake.

"Mr. NUNN. It does lead one to believe that perhaps in a moment of--

"Mr. POINDEXTER. Weakness?

"Mr. NUNN. --weakness, you just basically--

"Mr. POINDEXTER. No, no. It was sloppiness. When you sit here and have to listen to all these questions very carefully and make very precise

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		answers, it is difficult." (Poindexter Testim., JHICI, 7/17/87, at 138-41.)	
86/00/01-090 AFTER DECEMBER 1985		THE RISKS OF COMBINING 2 COVERT OPERATIONS NORTH ACCOUNT: See col. 3.	WHY THE IRAN INITIATIVE CONTINUED, AND THE RISKS OF COMBINING THE 2 COVERT OPERATIONS NORTH ACCOUNT: "Mr. COHEN. . . . [D]idn't this run the very risk at the time when the Iranians were so sensitive about being gouged and taken advantage of and lied to by a host of people, at that very time, that we would risk the lives of the hostages that you were very passionately concerned about, as is evident from the record, by combining these two covert programs in that fashion? "Mr. NORTH. It did. And we discussed that at length, Director Casey and I. I recall at least one occasion where the Admiral and I discussed it. "The fact is that we knew that the Iranians would pay even more than we were charged from intelligence that we had gathered. We knew that during the first channel, for example, that Mr. Ghorbanifar had a little frolic and diversion of his own going on in which he had pocketed at least some for himself, if not for others, a considerable sum. And that even the prices we charged, he further inflated. "And so we judged that risk to be minimum given that they would be--basically pay whatever they could to get these items or weapons from the source that--whatever source they could." (North Testim., JHICI, 7/13/87, at 154-55.)
86/00/01-100		DIVERSION: THE BATHROOM BRIBE	DIVERSION: THE BATHROOM BRIBE

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SOMETIME IN JANUARY 1986		NORTH ACCOUNT: "Mr. NUNN. You testified at that [January 1986] meeting Mr. Ghorbanifar 'took me into a bathroom and suggested several incentives to make the February transaction work and the attractive incentive for me was the one he made that residuals could flow to support the Nicaraguan resistance.' "Do you recall that testimony? "Mr. NORTH. Yes, sir. "Mr. NUNN. You mentioned several incentives. "Do you recall any of the other incentives besides that? "Mr. NORTH. I recall one specifically. "Mr. NUNN. We have gotten that one; is that right? "Mr. NORTH. No; in addition. That was Mr. Ghorbanifar offered me a million dollars if we could make this prosper. "Mr. NUNN. To you personally? "Mr. NORTH. Yes, sir. "Mr. NUNN. So he offered a bribe to you on the spot? "Mr. NORTH. Yes, sir. "Mr. NUNN. Tell us what you said in response to that. "Mr. NORTH. It was out of the question. "Mr. NUNN. You told him you would not accept any financial favors? "Mr. NORTH. Could not, would not, and that if those kinds of discussions pursued[,] that[] he would be out of the picture very quickly. It was then that he came up with what I considered to be	NORTH ACCOUNT: See col. 2.

a far better idea.

"Mr. NUNN. Were there any other incentives besides the two that we know about?

"Mr. NORTH. He talked in terms of other operations that his people, whoever they were, could provide in terms of support for the United States.

"Mr. NUNN. When you came back after that meeting, he had put something on the table that was of real interest to you?

"Mr. NORTH. Not the million dollars.

"Mr. NUNN. Not the million dollars. I got that clearly. When you came back, did you report to your superiors about the million-dollar bribe offer?

"Mr. NORTH. No. We know what Ghorbanifar was and everybody involved in it and what backsheesh is. It was expected. Actually, it wasn't expected, it was not unexpected.

"Mr. NUNN. Did you tell General Secord or anyone of that conversation?

"Mr. NORTH. I don't believe General Secord was with me at that meeting. I think I may have described it to one of the CIA officers. I honestly don't remember.

"Mr. NUNN. You didn't report it to any of your superiors when you came back?

"Mr. NORTH. I may have. I don't believe, sir."

(North Testim., JHICI, 7/14/87, at 100-02.)

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86/00/01-120 JANUARY 1986		THE BATHROOM BRIBE: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT:	THE BATHROOM BRIBE: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT:

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AND THEREAFTER		"Mr. NUNN. Do you know anything about the one million dollar offer that Colonel North related from Ghorbanifar? The one million dollar offer to him, he called it a bribe? "Mr. POINDEXTER. I don't recall that. "Mr. NUNN. Would you expect that to be related to you as his superior or sort of routine as Colonel North portrayed it? "Mr. POINDEXTER. Not necessarily. I would not have had the slightest doubt in my mind that what Colonel North's reaction to that would be, and in the whole scheme of things I don't think he or I would have considered that as a very important issue." (Poindexter Testim., JHICI, 7/17/87, at 120-21.)	See col. 2.
86/00/01-123 SOMETIME IN JANUARY 1986		DIVERSION: THE BATHROOM PROPOSAL AND BRIBE, AND SHIFTED STRATEGIC GOALS McFARLANE RESPONSE TO NORTH: "Mr. NUNN. . . . [W]e heard testimony over the last two or three days from Colonel North . . . about a transition as I view it that took place in . . . late December . . . '85, January of '86. Colonel North described the January finding from the President, which the President signed, as setting up 2 or 3 goals, including in them trying to form a new strategic relationship with Iran, also getting the hostages back. "He also testified that he had[,] not[] using his words but paraphrasing, diminished confidence in those goals when he met with Mr. Nir and Mr. Ghorbanifar. I believe the meeting took place here in Washington.	THE IRAN INITIATIVE: SHIFTED STRATEGIC GOALS McFARLANE RESPONSE TO NORTH: See col. 2.

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		"He further testified that he expressed that concern and then he was taken or invited to join Mr. Ghorbanifar in the bathroom and at that stage n[e]w incentives were offered. One incentive he revealed this morning was a million dollar payment to him. You were not his superior during this time frame, were you? "Mr. MCFARLANE. No, sir, I had left the government. "Mr. NUNN. Had you ever heard about that $1 million offer to Colonel North? Did anyone tell you about that? "Mr. MCFARLANE. No, sir, I have never heard of it before. "Mr. NUNN. The second incentive which seemed to have quite an impact[,] in his words, was the Ghorbanifar statement that the residual . . . produced by the Iranian arms sale could be used for support of the freedom fighters which he knew Colonel North was involved in. Did you know about that since you were staying in touch during this time frame? "Mr. MCFARLANE. No, sir. As I testified I first heard of the notion of diverting funds to the contras on the trip in May of '86 to Tehran. "Mr. NUNN. You have been the National Security Adviser. Colonel North stated that he came back and told Admiral Poindexter either orally, in writing or both, he wasn't sure which, that this new incentive was, paraphrasing, a major consideration. Would you not, based on your experience, think that since the operation officer had expressed diminished confidence in the	

original finding, the goals set forth by the President of the United States and that he had had an offer for a new type incentive, that is money, residuals for the contras, would you not think that the operations officer having made that report to the National Security Adviser that that information would be of the nature that would go to the President of the United States?

"Mr. MCFARLANE. Well, I think Senator Nunn, for me to let hindsight project what I would have done is a little unfair to Admiral Poindexter. I don't know what other considerations must have borne in his mind and I think John is a man of very sound judgment. While I was serving if a change of that magnitude had appeared I would have reported it.

"Mr. NUNN. I will ask you this question then just directly. I assume you have heard most of this testimony?

"Mr. MCFARLANE. Yes, sir, a good bit of it.

"Mr. NUNN. Would you agree with my assessment that this was a change of significant magnitude in terms of diminished confidence by the operations officer, Colonel North, in the strategic goals and a new incentive being proposed?

"Mr. MCFARLANE. Well, I have to answer yes, and yet if that PROFS note was sent for example, and I don't know this, concurrent to another memo that diminished its significance, in context, which I don't have, it might be a matter of less emphasis by Colonel North. But under the terms that you cast it I think it is a fair assumption. [Sic.]"

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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		(McFarlane Testim., JHICI, 7/14/87, at 215-17.)	
86/00/01-172 DURING 1986		WHY THE IRAN INITIATIVE CONTINUED: WHETHER DIVERSION WAS A FACTOR WEINBERGER ACCOUNT: See col. 3.	WHY THE IRAN INITIATIVE CONTINUED: WHETHER DIVERSION WAS A FACTOR WEINBERGER ACCOUNT: "Mr. SARBANES. Looking back on what happened in early 1986, do you have any reason to think that one of the driving forces behind embarking on the arms sales to Iran would have been to earn the residuals in order to establish a fund that could have been diverted to Nicaragua or, in fact, used elsewhere? "Secretary WEINBERGER. No. There wasn't ever any slight suggestion of anything of that kind. There was never any discussion in my presence of price. The only discussion there was ever of that is when I instructed General Powell that he was to have the Army get full value from the CIA, and I never heard of any negotiation between the two agencies. "We stated the price, as I have said, unfortunately, it was apparently computed wrongly, but we stated the price, the CIA paid the bills and the weapons were delivered to them, but there was never any slight suggestion there was any fiddling with the price or any adjustment to the price or anything of that kind, and certainly no slight suggestion of the contras being in any way involved in it." (Weinberger Testim., JHICI, 7/31/87, at 216-17.)
86/00/01-180 1985-1986			WHY THE IRAN INITIATIVE CONTINUED: THE PRESIDENT'S MOTIVATIONS

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			WEINBERGER ACCOUNT: "Mr. BROOMFIELD. The President's interest, of course, [in continuing the Iran Initiative was] primarily in the hostage area; in other words, getting them out? "Secretary WEINBERGER. Well, that was part of the motive, there wasn't the slightest question. I never heard the President discuss it at which he didn't mention also this other longer range strategic concept that we should have, which everybody agreed, a better relationship with a country as important as Iran, and the differences came [sic] and the feelings that I had expressed many times that that was simply not possible with this present bunch of people who were in charge of Iran. "Mr. BROOMFIELD. Could the Iran initiative possibly be justified, as Admiral Poindexter pointed out and others have argued, as a strategic opening to Iran? "Secretary WEINBERGER. I don't think so for the reasons I've mentioned many times. You just-- "Mr. BROOMFIELD. In other words, you don't believe there is any moderate element there? "Secretary WEINBERGER. I do not." (Weinberger Testim., JHICI, 7/31/87, at 195-96.)
86/00/01-182 1985-86			WHY THE IRAN INITIATIVE CONTINUED: HOSTAGE TO THE HOSTAGES WEINBERGER ACCOUNT: "Mr. SARBANES. Now, as this thing was being driven, did you hear the argument made that the safety of the hostages was at stake if we did not

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			continue the initiative and continue to send arms? "In other words, that the situation had reached the point not that the sending of arms would get the hostages out, the so-called arms-for-hostages exchange, but the failure to send arms would endanger the hostages so that just in order to sort of preserve them in the state in which they were, arms had to be sent, that we, in effect, had become hostage to the hostages. "Secretary WEINBERGER. Yes, I believe there were points made like that. There were a lot of arguments back and forth, and the point was continually made that we were on the verge of success, a point which I disputed all the time because it never, to my knowledge, had actually happened. "I never connected the release that took place with any of the activity that I disapproved of so strongly. But I think that the point was probably made that, I think it was more in the context, Senator, that we have had additional talks, if we could just give them a few more TOWs, if we can just do a few more things, if we send over people they are convinced are bona fide representatives of the United States, then we will get the people out, and these will be people we can deal with later, and we have to keep doing this. "I think it was more in that context, but it is quite conceivable at some point someone may have mentioned the point, as you very eloquently phrase it, we become hostages to the hostages." (Weinberger Testim., JHICI, 7/31/87, at 214-16. See 85/12/09-151 [North on being hostage to the

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			hostages].)
86/00/01-183 DURING 1986			WHY THE IRAN INITIATIVE CONTINUED: ARMS FOR HOSTAGES WEINBERGER ACCOUNT, Part 1: "Mr. MITCHELL. . . . The issue I would like to raise briefly with you is whether the President would have sold arms to Iran if the sole purpose of the initiative was to open up the strategic dialogue with Iran or whether weapons were ultimately included because they were necessary to obtain release of hostages. "Now, in June of 1985, you and Secretary Shultz received the National Security Decision Directive which proposed an opening to Iran. That is the directive that contemplates providing Iran with military equipment, but it makes no mention of hostages, and that is the directive of which you wrote, 'this is almost too absurd to comment on'. "Now, later, however, hostages did become part of the discussion. Exhibit [CWW] 20 is a memorandum for the President dated January 17, 1986, prepared by Admiral Poindexter to explain the basis for the finding to be signed by the President authorizing the sale of weapons to Iran. "And on the second page of that memorandum down near the bottom, it describes the weapons to be transferred to Iran, and then it reads, and I quote, Admiral Poindexter's memorandum to the President, 'If all of the hostage[s] are not released after the first shipment of 1,000 weapons, further transfer would cease.'

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			"This seems to clearly state there would be a transfer of weapons to Iran following which it was anticipated that all of the hostages would be released, and if they were not released, there would be no more weapons transferred to Iran. "In your notes of the November 10 meeting with the President show that you had under that [sic], the arms sales would continue only if the hostages were released, you recall. That is Exhibit [CWW] 28 of your record of the meeting in the Oval Office-- "Secretary WEINBERGER. Yes. "Mr. MITCHELL. --with the President and others on November 10. "Secretary WEINBERGER. 1986. "Mr. MITCHELL. 1986. November 10, 1986. And at the top of page 2 of your notes, the first full paragraph reads: 'I reminded John that he had always told me that there would be no more weapons sent to Iran after the first 500 TOWs until after all of the hostages were returned, but, unfortunately, we did send a second 500 because it seemed the only way to get the hostages out', according to Poindexter, and indeed in your notes you underlined the words after all--preceding 'all of the hostages'. Let me first ask you: "You and Admiral Poindexter had that exchange at that meeting. Did anybody dispute or disagree with that characterization as you set it forth here? "Secretary WEINBERGER. No, sir. I don't believe so, but, Senator, we also had that discussion throughout most of the year after the

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			January 17 or 18, whatever it was, discussion to go ahead with it, between then and the November meeting. "But, yes, I did, the answer to your questions is, no, no one I heard at the meeting disputed that. "Mr. MITCHELL. Disputed that? "Secretary WEINBERGER. No." (Weinberger Testim., JHICI, 8/3/87, at 32-34; JHICI Exx. CWW 4 [routing slip bearing Weinberger's handwritten comments on the draft NSDD on Iran, 6/18/85], CWW 20 [Poindexter memo to the President, cover memo for the 1/17/86 Finding], CWW 28 [Weinberger notes of 11/10/86 meeting].)
86/00/01-184 DURING 1986			WHY THE IRAN INITIATIVE CONTINUED: ARMS FOR HOSTAGES WEINBERGER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. MITCHELL. Well, the conclusion I drew from this is the following, and I am going to state it and ask you to comment on it. The goal of opening up a dialogue with Iran, given its strategic importance, was a valid one, which the President might have pursued quite apart from any desire to free hostages. "But the use of weapons, given or sold to the government of Iran, a country which has condoned and promoted terrorism, [and] which for several years has been virulently anti-American, would never have been approved by the President except as a means to obtain the release of hostages.

"And I say that because the record as I have just described it seems clear. First, arms shipments were rejected when hostages were not involved.

"Second, the January 17 memorandum from Admiral Poindexter to the President explaining the first finding explicitly says that the arms shipments will cease until the hostages are released, and, finally, your exchange with Admiral Poindexter at the November 10 meeting confirms what you and he had been saying throughout that year, and the understanding was that there would be a shipment of arms to Iran.

"It was anticipated that all hostages would then be released and if they were not, then there were to be no further shipment of arms to Iran. Let me ask whether if you care to comment on that conclusion.

"Secretary WEINBERGER. Well, Senator, that conclusion involves an assumption that I know everything that motivated the President in making this decision, and I don't. But I never heard the President talk about this at any of the meetings we have described or any other time without tying the two together, and that one of the ways of trying to get this better opening with Iran, one of the things I disagreed with that we could do was to demonstrate the good faith of the representatives of the United States in discussing it, and that that would involve transfers of some of the weapons.

"There's no question whatever that one of the factors motivating the President was the return of

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			the hostages. This is something that underlies all of his conversation and, as I've said, the President is a very compassionate, humane man, and the fate of the hostages is a continual source of deep worry to him, as it is to all of us. And so clearly that was one of the motives. "But I never heard him talk about this with reference only to the hostages, or the arms part of it only to the hostages. There is always this other motive with which I'm frank to say I disagreed with, but it was always there. ". . . . "Mr. MITCHELL. . . . I just note it couldn't possibly be clearer in your note, 'I reminded John that he had always told me that there would be no more weapons sent to Iran after the first 500 TOWs, until after all of the hostages were returned. But unfortunately, we did send a second 500 because it seemed the only way to get the hostages out, according to Poindexter.' "Three days later the President addressed the nation and said that there were no arms for hostages. This was stated in the President's presence, as you just noted, and there was no disagreement. "Did that concern you, the President's address to the nation in which you very emphatically stated and repeated, indeed, that there were no arms for hostages, when it seems inescapable from this discussion that that was at least part of the transaction? "Secretary WEINBERGER. This was a discussion that I had with Admiral Poindexter, and the

background of that was, as you have pointed out, but the first 500 that I was talking about was the 500 that related to this idea of trying to show the good faith of our emissaries and negotiators and so forth. I violently disagreed with that. But that was the basic motive for that firstly.

"I can't characterize what was in anybody's mind, but I know that there was a--that both of those elements, both of those motives were always mentioned together in any discussion I ever had with the President about it."
(Weinberger Testim., JHICI, 8/3/87, at 34-38; JHICI Exx. CWW 20 [Poindexter memo to the President, cover memo for the 1/17/86 Finding], CWW 28 [Weinberger notes of 11/10/86 meeting].)

86/00/01-185
1985-86

WHY THE IRAN INITIATIVE CONTINUED:
WEINBERGER'S APPEALS
WEINBERGER ACCOUNT:

"Mr. BROOMFIELD. During the unfolding of the Iran initiative, you have had an opportunity to try to influence this policy. I guess you have had this question put to you a lot of times, but I wonder if you believe you went far enough in trying to change the policy of our government.

"Secretary WEINBERGER. Yes, I do. I can't think of anything else that could have been done that might be effective. As lawyers say, you run out of appeals after a time. There are no more tribunals left to appeal to.

"I made these appeals a number of times and did the equivalent of moving for a new trial, but unfortunately there was no change in the basic

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			decision because of the conviction that this offered a degree of hope both for hostages and for a better relationship, and I was not able to be persuasive enough, and I'm sorry that I wasn't, that that was not possible." (Weinberger Testim., JHICI, 7/31/87, at 192-93.)
86/00/01-187 1985-86			WHY THE IRAN INITIATIVE CONTINUED: CASEY'S MOTIVATIONS WEINBERGER ACCOUNT: "Mr. BROOMFIELD. Bill Casey was a major force [behind the Iran Initiative]. Do you believe that Casey's motivation was primarily in the recovery of William Buckley, the CIA mission chief in Lebanon, who, by the way, everybody knows was brutally murdered? "Secretary WEINBERGER. Yes, he was. I think that was certainly part of it. "Bill felt naturally very keenly about any of his people, as I think we all do. But I think he also felt, as he said many times, that he was sincerely convinced there was an opportunity for a genuine intelligence game here and that this would be a very useful additional source, and provision of materials that would be very helpful to us. I think that was one of his motives, but certainly attempting to get Mr. Buckley back was, I'm sure, loomed large in his mind. Yes, he is a very compassionate man, as is the President." (Weinberger Testim., JHICI, 7/31/87, at 195.)
86/00/01-210 SOMETIME IN		DIVERSION: A NEAT IDEA NORTH ACCOUNT:	DIVERSION: A NEAT IDEA NORTH ACCOUNT:

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JANUARY 1986		North testified on his reaction to Ghorbanifar's suggestion, made in a bathroom, that residuals of the Iranian arms sales be given to the Contras: "I had written for the President's words, 'We will not make concessions to terrorists.' For the very first time in January, the whole idea of using U.S. weapons or U.S.-origin weapons or Israeli weapons that had been manufactured in the United States was made more palatable. "I must confess to you that I thought using the Ayatollah's money to support the Nicaraguan resistance was the right idea and I must confess to you that I advocated that. To this day, you have referred to it as a diversion. My understanding of the word of the word 'diversion' is that what we did is we took something off the course that was originally intended and what we did is we diverted money out of the pocket of Mr. Ghorbanifar and in enormous files of intelligence that I have received from our intelligence agencies, it was very clear that Mr. Ghorbanifar and perhaps others had made enormous profits on the September and November transactions. "They didn't make them on the November transaction because it was never completed, but they certainly had in the August-September transaction. And I saw that idea of using the Ayatollah Khomeini's money to support the Nicaraguan freedom fighters as a good one. "I still do. I don't think it is wrong. I think it was a neat idea and I came back and I advocated that and we did it. We did it on three	"The fact is that whether it was Mr. Ghorbanifar himself who originated the idea or Nir or others within the Israeli Government, it is a good idea, It was a good idea because we weren't using the taxpayers' money, we were using the Ayatollah's money and it went indeed to support the Nicaraguan resistance." (North Testim., JHICI, 7/8/87, at 37.) See col. 2.

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		occasions. "These three occasions were February, May and October, and in each one of those occasions, as a consequence of that whole process, we got three Americans back and there was no terrorism while we were engaged in it against Americans. "For almost 18 months, there was no action against Americans until it started to come unraveled. I believed then and I believe now that we had a chance to achieve a strategic opening and right up until the last minute that I left the NSC, I was in communication with Israelis and others who were working on the second channel to achieve that end. "The fact is that whether it was Mr. Ghorbanifar himself who originated the idea or Nir or others within the Israeli Government, it is a good idea. It was a good idea because we weren't using the taxpayers' money, we were using the Ayatollah's money and it went indeed to support the Nicaraguan resistance." (North Testim., JHICI, 7/8/87, at 35-37.)	
86/00/01-220 DURING 1986		DIVERSION: A NEAT IDEA POINDEXTER ACCOUNT: "[F]rankly, as Colonel North has testified, I thought it was a neat idea, too, and I'm sure the President would have enjoyed knowing about it." (Poindexter Testim., JHICI, 7/15/87, at 101.)	DIVERSION: A NEAT IDEA POINDEXTER ACCOUNT: See col. 2.
86/00/01-230 JULY 29, 1987		DIVERSION: A NEAT IDEA MEESE ACCOUNT: "Mr. COHEN. Now, according to the testimony,	DIVERSION: A NEAT IDEA MEESE ACCOUNT: See col. 2.

Director Casey, Colonel North, Admiral Poindexter and even some members of this committee thought the diversion was [a] fairly neat idea, and it struck me that, after all, this is the ultimate covert hat trick.

"You trick the Ayatollah, we trick the Sandinistas, and we trick the Congress itself because we ended up using funds for a program which it thought it had prohibited.

"And I was wondering, what is wrong with that particular arrangement? What is basically wrong with that?

"Attorney General MEESE. Well, I think for one thing using funds in a way if it were illegal to deceive the Congress--first of all, I think deceiving the Congress in any way is not a good idea.

"Mr. COHEN. I agree with you.

"Attorney General MEESE. I think that is one of the aspects.

"I think again there's some things that have to be done in a covert manner, but again the process of notifying Congress and of obtaining congressional support of the leadership for these things is very important.

"Mr. COHEN. You knew intuitively, the moment the question of diversion arose, that there was something wrong with it?

"Attorney General MEESE. Absolutely. I knew that it was unauthorized. And I knew it was a violation of the implementation of the President's policy.

"I also knew that it had a tremendously

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		adverse impact or potentially an adverse impact on the very thing that was trying to be done, mainly assistance to the Freedom Fighters in Nicaragua. "Mr. COHEN. Would you agree that the Economy Act was never designed to allow a transfer from the U.S. Government to a third party, but rather the Economy Act was designed to allow transfers from the Department of Defense to the CIA, and we don't want to have one department charging or making a profit at the expense of the other, but there was never any intent to allow U.S. taxpayer-owned property to be sold under the Economy Act at an inflated price and the profits to be used for something else? "Attorney General MEESE. I am satisfied that is consistent with the intent of the act, yes, sir." (Meese Testim., JHICI, 7/29/87, at 52-54.)	
86/00/01-240 JULY 13, 1987		DIVERSION: A NEAT IDEA HATCH RESPONSE: Senator Hatch responded to North's neat idea description: "Frankly, I don't think that we should have had a diversion of funds here, even though I have to confess I kind of think it is a neat idea, too, to take money from the Ayatollah and send them [sic] over to the freedom fighters in Nicaragua. What a nice use of those funds, except you have to be--I don't think it was right." (North Testim., JHICI, 7/13/87, at 96 [Sen. Hatch questioning North].)	DIVERSION: A NEAT IDEA HATCH RESPONSE: See col. 2.

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86/00/01-648 1984-87		DIVERSION: ANY MEMO TO THE PRESIDENT POINDEXTER DEPOSITION ACCOUNT: "BY MR. VAN CLEVE: "Q. . . . Can you recall at any time during the period January 1, 1984, to the present -- through the present -- seeing a memorandum to the President from any official at the White House that discussed the diversion of funds to the contras from any source? "MR. BECKLER: From any source? "BY MR. VAN CLEVE: "Q. From any official in the White House to the President, from any source. "MR. BECKLER: The [d]iversion from any source? "MR. VAN CLEVE: The diversion from any source to the contras[.] "MR. BECKLER: I am sorry. "MR. SMALL: You mean Iran -- "MR. VAN CLEVE: No. I will be happy to repeat the question. "BY MR. VAN CLEVE: "Q. Can you recall during the period of January 1, 1984, to the present seeing a memorandum to the President from any official at the White House which discussed the diversion of funds from any source to the contras? "A. Well, let me try to go through my memory. As I said, I don't think there was anything that I have ever seen, at least that I can recall, to the President about the Iranian transfer. "In fact, my recollection was, at least in	DIVERSION: ANY MEMO TO THE PRESIDENT POINDEXTER DEPOSITION ACCOUNT: See col. 2.

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		November of '86, that there wasn't anything that existed. I was surprised to see the memo that was made up and that Ed Meese's people found in Colonel North's safe. That did not go to the President, certainly; and I don't know of anything else on the Iranian project related to the transfer of funds to the contras that went to the President. "Diversions from other sources? "MR. SMALL: Do you have anything in mind? "BY MR. VAN CLEVE: "Q. As an example, we were discussing just before we recessed, the possibility of the Department of Defense assets had been diverted to the contras. "A. To the best of my recollection, I don't know of anything else. I suppose it's conceivable there's something else that I may have seen and forgotten. I am not trying to play games with you. I simply don't recall it. "Q. Okay. "MR. BECKLER: Would this, for example, include the President having some knowledge perhaps that the Secretary of State or his representatives met with Brunei? "MR. VAN CLEVE: Sure. A memorandum to the President that described an effort to obtain funds. "MR. LIMAN: He's not talking about oral knowledge. He's talking about documents. "THE WITNESS: Something in writing? "BY MR. VAN CLEVE: "Q. A document.	

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		"A. There may have been something to the President that I have forgotten that addressed our effort in early 1986 to identify third countries. I think, as I testified earlier, I have a recollection that Secretary Shultz, in one of his weekly meetings with the President in early '86, which I attended, said something to the President about looking for third-country support. There conceivably -- that could be in my file of notes about, that I kept on Secretary Shultz' meeting with the President which I don't have. They are somewhere in the White House, I guess. "That was -- the reason that didn't jog my memory was the way the question was asked. I wouldn't consider that diversion. That was third-country sources of funding. "You know, if you intend to broaden the question to include third-country resources, there may have been something in writing about [redacted] back early when their contribution started. Those are the only things I can think of." (Poindexter, Senate Dep., 5/2/87, at 231-33.)	
86/00/02-060 1985-86		DIVERSION: THE MERGING OF 2 COVERT PROGRAMS McFARLANE ACCOUNT: "Mr. COHEN. . . . I was wondering from your experience as the former National Security Adviser, has there been any case in your experience where there has been a merger of two covert actions so they became either mutually reinforcing or one supporting the other? "Mr. MCFARLANE. None that I recall. No, sir.	DIVERSION: THE MERGING OF 2 COVERT PROGRAMS McFARLANE ACCOUNT: See col. 2.

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LONG-FORM-VERSION

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		"Mr. COHEN. As a matter of fact, isn't it a fairly standard rule that you keep covert actions separate so that you maintain a coherent . . . conceptual approach to the carrying out of that covert action, so that it not be impeded by any sort of a conflict of interest in the sense that one program's objectives might, in fact, undermine the success of the other? "Mr. MCFARLANE. Normally, that is true, yes, sir." (McFarlane Testim., JHICI, 7/14/87, at 286.)	
86/00/02-063 DURING 1986		DIVERSION: THE MERGING OF 2 COVERT PROGRAMS, AND TO WHOM THE PROFITS BELONG MEESE ACCOUNT: "Mr. COURTER. You indicated prior in your testimony that . . . had you been asked, you would have recommended against the use of the residuals or the diversion of money from one operation to the other operation. I am just wondering whether you would have made that negative recommendation to the President based on policy grounds or legal grounds? "Attorney General MEESE. I think I would have made the recommendation on both grounds. "Mr. COURTER. You indicated also that you, although you can speculate and someone can argue about the fact that the profit[] for this weapons sale was possibly a constructive trust arrangement and, therefore, in one sense the profit of the United States, I don't read it that way. I am not in favor of the diversion, and I would not have indicated to the President my support, had he	DIVERSION: THE MERGING OF 2 COVERT PROGRAMS, AND TO WHOM THE PROFITS BELONG MEESE ACCOUNT: See col. 2.

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		until we could get the legislation passed, and I decided at that point not to tell the President. "I didn't tell Colonel North that I was not going to tell the President, so I don't believe -- you know, the President and I would be the only ones that can -- that know the answer to that question, because I have met with the President privately. I recognize that it would be a lot easier on me now if I had told him, but honestly, the facts are I did not tell him. "Q. You didn't tell him then or at any other time? "A. Or at any other time until the 25th of November. "Q. That's the first time you told the President? "A. That's the first time I told the President." (Poindexter, Senate Dep., 5/2/87, at 69-72.)	
86/00/02-511 SOMETIME IN FEBRUARY 1986		DIVERSION: POINDEXTER'S DECISION, WHETHER THE PRESIDENT KNEW, AND DENIABILITY POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. You say you realize it would be a lot easier on you[] if you told the President. Would you explain what you mean? "A. What I mean is that I think that he would -- if I had told him at the time, and this was part of my thinking process at the time, was that I was very confident if I had told him about it and asked his permission to do it, he would probably have agreed.	DIVERSION: POINDEXTER'S DECISION, WHETHER THE PRESIDENT KNEW, AND DENIABILITY POINDEXTER DEPOSITION ACCOUNT, Part 2: See col. 2.

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		We will have an opportunity to cooperate with the Independent Counsel as to the civil aspects of this at an appropriate time. "Mr. COURTER. I am familiar with the laws of principal and agents. It seems to me that an argument could be made that you do have that type of legal arrangement, an agency or implied agency, the agent has to do what the principal wants. I am just wondering whether your familiarity with this case now, maybe you can't guess, but I am fairly familiar with it, it seems if Albert Hakim was called up and said to use the money for something against the United States or against the country of Iran or individual businessmen, that he wanted, he wouldn't have cut the checks. [Sic.] It seems to me that theory of the principal and agency does fall down because there was a certain degree of discretion in General Secord and certainly quite a large degree of discretion in Albert Hakim. "You don't have to comment on that unless you would like to. If you would like to, you can. "Attorney General MEESE. I think I would like to pass that up." (Meese Testim., JHICI, 7/29/87, at 211-14. On the Attorney General's view of constructive trusts and the diversion, see 86/11/25-727 and notes cited therein.)	
86/00/02-510 SOMETIME IN FEBRUARY 1986		DIVERSION: POINDEXTER'S DECISION, WHETHER THE PRESIDENT KNEW, AND DENIABILITY POINDEXTER DEPOSITION ACCOUNT, Part 1: ". . . After the Presidential Finding was	DIVERSION: POINDEXTER'S DECISION, WHETHER THE PRESIDENT KNEW, AND DENIABILITY POINDEXTER DEPOSITION ACCOUNT, Part 1: See col. 2.

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		signed on 17 January, and we were proceeding ahead with the Iranian project, at some point Colonel North came to see me. My best recollection is it was probably in February. It could have been after that, but I believe it was in February. He came into my office. He would have been the only person there, and gave me a status report on the Iranian project, and as I said, we had been working on the legislative plan, but we saw that we were going to run out of money before we could get the $100 million and the Sandinistas were being supplied a large amount of Soviet equipment. We were especially concerned about the HIND helicopters because they are so effective in that kind of -- that insurgency because of their mobility. We were frankly concerned about the abilities of the contras to survive until we could get the $100 million. "Colonel North was not only working the Iranian project, but he was also, obviously, as I have told you, working Central America. After he finished his briefing on the status report of the Iranian project, he said, 'Admiral,' or words to this effect, 'I think I figured out a way to provide some funds to the contras out of the Iranian project.' [See 86/00/02-520.] "My impression at this point of the conversation was that it was clear to me that these were third country or private-party funds that would result from the arms sale to the Iranians and he said, 'I would like to proceed ahead with it.' I said, 'Well, let me think about it for a few minutes.'	

"I thought about it. I felt that it was in terms of supporting and implementing the President's policy, that it was entirely consistent.

"The President really never changed his policy with regard to supporting the contras since the early decision back in 1981. It seemed that this method of financing was completely consistent with what we had been doing in terms of private parties and third countries.

"I knew that it would be a controversial issue. I had at that point worked with the President for about five-and-a-half years, and for three of those five-and-a-half years, very directly, meeting with him many times a day, often spending hours every day with him.

"So I not only clearly understood his policy, but I also thought I understood the way he thought about issues.

"I felt that I had the authority to approve Colonel North's request. I also felt that it was, as I said, consistent with the President's policy, and that if I asked him, I felt confident that he would approve it.

"But because it was controversial, and I obviously knew that it would cause a ruckus if it were exposed, I decided to insulate the President from the decision and give him some deniability; and so I decided -- I told Colonel North in that meeting, after thinking about it for several minutes, to go ahead and proceed ahead with it, that it was a method of essentially providing bridge financing to the democratic resistance called me up; but nevertheless, it seems to me that the United States Government did bargain for the sale of weapons to get a certain sum of money, that the United States Government does not sell weapons for profit. That was not the motive here. The motive here was clearly either hostages or some sort of rapprochement with Iran, or a combination of both.

"Since, number one, the motive of the sale was not a profit and since, number two, the United States Government got every pen free [sic (penny?)] it bargained for, it seems to me that money would have to fall in one of two other categories. I would like your opinion.

"Number one, third-country or second-country money; and, number two, private money. I am wondering if you would like to comment on it.

"Attorney General MEESE. Mr. Courter, I think arguments can be made as to both of those conclusions. I think an argument can also be made--and perhaps even some would consider it the better argument--that under an agency or constructive trust theory, the money does become property of the United States. When someone acts as an agent for a principal, whatever profits may accure--even if unintended--may belong to the principal, so that I think there are a number of legal theories that are applicable here.

"Among the things I have indicated earlier is that since this is a matter which will be ultimately the basis for certain conclusions of the Independent Counsel, I have deliberately tried not to make an absolute conclusion on this matter.

"Q. All right.

"A. It would now be, you know, his responsibility rather than mine.

"Q. Let's just follow that through. You realize if the Independent Counsel considers that the decision to use money from the arms sales for the contras to be a crime, that you have now said that you made the decision without any express authority from your Commander in Chief?

"A. That's correct.

"Q. And you realize that you have therefore deprived yourself of the defense that you discussed it with the President and that the President approved this?

"A. I understand that very well, Mr. Liman.

"Q. And I want to be sure, because this is obviously a question that is on the minds of a number of people. And I'm not trying to take away legal defenses in terms of your apparent authority, Mr. Beckler. I see you are ready to jump in. You realize that this is an important issue in the investigation.

"You are an Admiral; correct?

"A. Correct.

"Q. The President is your Commander in Chief?

"A. Correct.

"Q. Are there some things that in order to protect the Commander in Chief you would lie about?

"A. No. At this point, there are not. I do feel -- well, let me put it this way.

"I always felt as the National Security Adviser -- and this goes back to -- well, I had two commissions. I think it is important that that be understood. I had a commission not only as a naval officer, as a flight officer, an Admiral in the Navy; but I also had a commission as assistant to the President. I always tried to keep those two positions in my mind at least separate. That's frankly one of the reasons I haven't appeared in uniform. I think this is a political issue. I was essentially in a political position. I was still covered by the Hatch Act, but I haven't been out involved in partisan political activity.

"And I felt that as an assistant to the President, I had the authority to make those kinds of decisions. It was a judgment call. It was, you know -- clearly it was an important decision. But, as I said, I always felt that it was completely consistent with other methods of financing the contras and -- but obviously knew that it would be controversial.

"Q. Where did you think the money was coming from?

"MR. NIELDS: Wait a minute. Did you get an answer to your question. You may have, but I am not sure. I think he asked you whether there were items, you are an Admiral --

"THE WITNESS: That I would lie about now?

"MR. NIELDS: To protect your Commander in Chief?

"THE WITNESS: I recognize I have immunity now with the exception of perjury or making a false statement. What I am telling you are the best -- the facts to the [best] of my knowledge and so at

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		this point, even to protect the President, I would not lie about it. "Q. Did you -- "A. But the point I wanted to make is that the way I viewed my position as assistant to the President at the time was that one of my responsibilities was to protect the President; and I felt that I was protecting him in this regard by not talking to him about it, because I felt confident that he felt so strongly about the support of the democratic resistance and preventing the consolidation of that communist government, that he would have approved it." (Poindexter, Senate Dep., 5/2/87, at 72-75.)	
86/00/02-512 JULY 17, 1987		DIVERSION: POINDEXTER'S DECISION, AND PROTECTING THE PRESIDENT POINDEXTER ACCOUNT: Poindexter was questioned about his deposition testimony that he was not then lying to protect the President: "Mr. LEON. [Quoting Poindexter Dep.:] '. . . What I am telling you are the best, the facts [to the best] of my knowledge and so at this point, even to protect the President, I would not lie about it.' "Do you remember making those statements, Admiral? "Mr. POINDEXTER. Yes, I do, Mr. Leon. "In fact, the whole point of making the decision that I did in February of 1986 was to avoid that very problem now. I protected the President by my decision, in my opinion, in	DIVERSION: POINDEXTER'S DECISION, AND PROTECTING THE PRESIDENT POINDEXTER ACCOUNT: See col. 2.

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		February of 1986. I don't have to do anything today to protect him. "Mr. LEON. You believed that then, did you not? "Mr. POINDEXTER. I did. "Mr. LEON. Is that applicable today? "Mr. POINDEXTER. It certainly is. "Mr. LEON. It has been your testimony in part at different points, I think it was yesterday that you said that it was part of your mission as the National Security Adviser to protect your Commander-in-Chief. And I recognize here the reality that credibility, like beauty, to a certain extent lies in the eye of the beholder. "Let me ask you this again, are you here and can you here today assure this committee that as you appear under a grant of immunity, you are not here on some mission to protect your Commander-in-Chief? "Mr. POINDEXTER. That is correct. "As I said, I took actions to protect him many months ago and I am here now to tell the facts as best I recall them and to lay it all out." (Poindexter Testim., JHICI, 7/17/87, at 66-69 [quoting Poindexter, Senate Dep., 5/2/87, at 73-75].)	
86/00/02-513 JULY 29, 1986		DIVERSION: AUTHORIZATION MEESE RESPONSE TO POINDEXTER: "Mr. BOLAND. In his testimony, Admiral Poindexter made clear his belief that had the President known about the diversion, he would have approved it.	DIVERSION: AUTHORIZATION MEESE RESPONSE TO POINDEXTER: See col. 2.

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		"Did your discussion of the diversion with the President on November 24th and 25th, 1986, support or rebut the admiral's contention? "Attorney General MEESE. I believe that [t]he President, had he been notified about it, would not have approved it." (Meese Testim., JHICI, 7/29/87, at 267.)	
86/00/02-514 DURING 1986		DENIABILITY, GENERALLY POINDEXTER DEPOSITION ACCOUNT: "Q. Now you testified previously about deniability as one of the reasons for not discussing diversion with the President. Would you give me your defin[i]tion of what the concept of deniability is as you have used it? "A. Well, I think my thinking then, by my recollection, was that I wanted, if this became public and became a controversial issue, that I recognized it had the potential. I wanted the President to be able to say that he was unaware of it. "Q. And that is what deniability meant? "A. That is correct. "Q. Now in your position as Assistant to Mr. McFarlane had you ever withheld any documents from Mr. McFarlane in order to give him deniability? "A. Not to my knowledge. "Q. Had you also been the staff officer for Admiral Holloway? "A. I had. "Q. Had you ever withheld any documents from Admiral Holloway in order to give him deniability? "MR. BECKLER: I'm going to object. That's	DENIABILITY, GENERALLY POINDEXTER DEPOSITION ACCOUNT: See col. 2.

totally outside the scope of this investigation, what his activities were while he was in Navy active duty working for Admiral Holloway.

"MR. LIMAN: I'm entitled to inquire whether or not he has ever followed this practice that he was testifying to here about withholding documents in order to afford deniability to his superiors.

"MR. BECKLER: What he did when he was on active duty certainly as a Navy officer is entirely irrelevant to whatever he did when he was working in the White House, and that is outside the scope of this inquiry.

"BY MR. LIMAN: (Resuming)

"Q. Admiral Poindexter, did you ever withhold any documents from Admiral Holloway in order to give him deniability?

"(Counsel conferring with the witness.)

"MR. BECKLER: We need to discuss this off the record, please. We need a break.

"MR. LIMAN: Take your break.

"(A brief recess was taken.)

". . . .

"Q. I have a question pending.

"The question pending is, did you ever withhold any documents from Admiral Holloway when you were his Executive Assistant in order to give him deniability?

"MR. BECKLER: Objection.

"Do not answer that question.

"BY MR. LIMAN:

"Q. Did you ever instruct any of your subordinates at the National Security Council to withhold information from you in order to give you

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		deniability? "MR. BECKLER: You can answer that. "THE WITNESS: No, I did not. Not to my knowledge." (Poindexter, Senate Dep., 7/2/87, at 448-49, 2.)	
86/00/02-515 SOMETIME IN FEBRUARY 1986		DIVERSION: INITIAL PROPOSAL POINDEXTER DEPOSITION ACCOUNT: "MR. LEON: Let me ask one question on that point Arthur questioned you about before about Ollie's discussions with you with regard to Nir [see 86/11/25-155] -- "THE WITNESS: It was really my discussion -- "BY MR. LEON: "Q. Excuse me. Had he at any time on that day, prior to that day, said to you in any way, shape or form that it was Nir's idea or Israel's idea to divert the funds? "A. I don't recall that. "BY MR. LIMAN: "Q. Do you recall that you testified at your first session that North told you some time in February, and you weren't precise on the date, that he had figured out a way of getting some money to the contras from the arms sales? "A. I can't remember his exact words, but that was my memory. "Q. As you sit here today, is it your best recollection that this was something that North came up with and was presented to you? "A. I don't think I would say that it was something he came up with. From my recollection of our conversation on that, it wasn't at all	DIVERSION: INITIAL PROPOSAL POINDEXTER DEPOSITION ACCOUNT: See col. 2.

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		clear to me who came up with the idea. [See entries starting at 86/00/01-042.] "Q. Did you ask him? "A. I don't recall asking him that. "Q. Did he ever mention whether it was Secord? "A. I just don't know that. "Q. Ghorbanifar? "A. I am sorry, I don't recall. "Q. Nir? "A. He was just -- "MR. BECKLER: You have answered the question." (Poindexter, Senate Dep., 7/2/87, at 13-14.)	
86/00/02-520 SOMETIME IN FEBRUARY 1986		DIVERSION: POINDEXTER'S DECISION, AND WHETHER THE PRESIDENT KNEW POINDEXTER ACCOUNT, Part 1: "Mr. LIMAN. Now, Admiral, is it correct that in the discussions that you had leading up to the January 17 finding, there was no discussion with the President of the United States about the possibility of using proceeds of the sale to support the contras? "Mr. POINDEXTER. There was none. "Mr. LIMAN. And there was none with you? "Mr. POINDEXTER. There was none with me. "Mr. LIMAN. Would you tell us, and I am going to break this into different questions, when was the first time that you were told by Colonel North about this possibility? "Mr. POINDEXTER. My best recollection is that	DIVERSION: POINDEXTER'S DECISION AND WHETHER THE PRESIDENT KNEW POINDEXTER ACCOUNT, Part 1: See col. 2.

this took place some time in February of 1986.

"Mr. LIMAN. And would you tell us what Colonel North said to you?

"Mr. POINDEXTER. My recollection is that he had just come back from a meeting in London, and he was giving me a general update on the situation as he saw it, and he was reviewing the status of the work that was in progress at CIA and Defense, in addition to the results of his meeting in London.

"And near the end of the conversation, my recollection is that he said something to the effect that, 'Admiral, I think we can--I have found a way that we can legally provide some funds to the democratic resistance['--]or as they have been called here,[] and I frankly agree with Congressman Hyde that I have no problem with calling them contras--'through funds that will accrue from the arms sales to the Iranians.' [See 86/00/02-510.]

"Mr. LIMAN. Did he use the word 'legally?'

"Mr. POINDEXTER. My best recollection is that he did, but of course I know that Colonel North is not a lawyer and so I was taking that in a layman's sense, that that was his conclusion.

"Mr. LIMAN. Do you recall [in] reciting this in your deposition you didn't use the word legally?

"Mr. POINDEXTER. I don't recall that, that I didn't. I believe that he did. He may not have.

"Mr. LIMAN. Did he tell you what the method would be for doing this?

"Mr. POINDEXTER. This was a--

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		"[Witness conferring with witness.] [Sic.] "Mr. POINDEXTER. This was a very general discussion, but this was clearly a new aspect that I had not thought about before. To make a long story short, in the end I thought it was a very good idea, the end of this conversation[,] and I personally approved it. "Mr. LIMAN. Did he ask you for [y]our approval? "Mr. POINDEXTER. I don't recall how he phrased his request, but he was clearly looking for a signal from me whether or not to proceed ahead along this line. "Mr. LIMAN. And you gave it? "Mr. POINDEXTER. And I gave it to him." (Poindexter Testim., JHICI, 7/15/87, at 88-90. See Poindexter, Senate Dep., 5/2/87, at 69-72 [Poindexter quotes North as having proposed, "'Admiral,' or words to this effect, 'I think I figured out a way to provide some funds to the contras out of the Iranian project.'"].)	
86/00/02-521 SOMETIME IN FEBRUARY 1986		DIVERSION: POINDEXTER'S DECISION, WHETHER THE PRESIDENT KNEW, AND DENIABILITY POINDEXTER ACCOUNT, Part 2: Poindexter's testimony continued on North's initial proposal to divert Iran arms funds to the Contras: ". . . . "So I was absolutely convinced as to what the President's policy was with regard to support for the contras. I was aware that the President was aware of third country support, that the President	DIVERSION: POINDEXTER'S DECISION, WHETHER THE PRESIDENT KNEW, AND DENIABILITY POINDEXTER ACCOUNT, Part 2: See col. 2.

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		was aware of private support, and the way Colonel North described this to me at the time, it was obvious to me that this fell in exactly the same category that these funds could either be characterized as private funds because of the way that we had--that Director Casey and I had agreed to carry out the finding. "They could have been characterized as private funds or they could be characterized as third country funds. "In my view, it was a matter of implementation of the President's policy with regard to support for the contras. We were in the process of working on our legislative plan to get $100 million from Congress for essentially unrestricted support to the contras. "We knew it was going to take time . . . . ". . . . "So after weighing all the[s]e matters, and I also felt that I had the authority to approve it, because I had a commission from the President which was in very broad terms, my role was to make sure that his policies were implemented. In this case, the policy was very clear, and that was to support the contras. "After working with the President for 5-1/2 years, the last 3 of which were very close, probably closer than any other officer in the White House except the Chief of Staff, I was convinced that I understood the President's thinking on this and that if I had taken it to him that he would have approved it. "Now, I was not so naive as to believe that it	

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		was not a politically volatile issue, it clearly was, because of the divisions that existed within the Congress on the issue of support for the contras, and it was clear that there will be a lot of people that would disagree, that would make accusations that indeed have been made. "So although I was convinced that we could properly do it and that the President would approve if asked, I made a very deliberate decision not to ask the President so that I could insulate him from the decision and provide some future deniability for the President if it ever leaked out. "Of course, our hope was that it would not leak out. "Mr. LIMAN. When you say deniability, are you saying that your decision was not to tell the President so that he would be able to deny that he knew of it? "Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/15/87, at 91-94.)	
86/00/02-523 SOMETIME IN FEBRUARY 1986		DIVERSION: POINDEXTER'S DECISION POINDEXTER ACCOUNT: "Mr. COHEN. Could you tell us--I am curious [a]bout the circumstances under which Colonel North told you about the diversion. Apparently that occurred some[]time during February. Could you tell us a bit more about where you were, what time of day, evening, what were the circumstances under which he brought this to your attention, what your reaction was, how long you thought about it, did you think about it over night?	DIVERSION: POINDEXTER'S DECISION POINDEXTER ACCOUNT: See col. 2.

"You discussed it in perhaps one sentence, something of this political significance, and we have had only one small sentence about it.

"Could you tell us the circumstances under which this occurred?

"Mr. POINDEXTER. Yes, I will.

"My recollection, it was some time in February of 1986. I was in my office, probably it was in the afternoon. My mornings were pretty well taken up with a fixed schedule. My recollection, I was sitting at my desk, Colonel North came in, provided me an oral debrief of his most recent meetings with the Iranian officials, gave me a general update on the Iranian project, and at the end of the conversation, my recollection is that he said that he thought that he had figured out a way to transfer residual funds from the arms sales that Dick Secord was making to the contras.

"My impression at the time, not necessarily because of anything that he said, but my impression as I recall was that this was Colonel North's idea. I thought about it for several minutes while he was standing there.

"My mood at the time as one of feeling that we were going to be able to convince the Congress to appropriate the hundred million dollars that either the President had requested or was about to request.

"But the Administration had decided on a hundred million dollars and our general tactic in getting it, we were bound and determined this time not to compromise. We either would get the hundred million dollars or we wouldn't. But I

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		frankly was personally convinced that we would be able to get the hundred million dollars, but I knew it was going to take time. "I didn't know it was going to take eight months. [See 86/10/18-140, -141.] "Mr. COHEN. Did you have any further discussions with Colonel North from the time he told you about the diversion--did you discuss it? "Mr. POINDEXTER. No. To finish this meeting, after thinking about it and thinking about what authority I had, what the President would do if he were asked, the controversies that would exist if this became public, I considered all these factors and at the end of the conversation I told Colonel North to go ahead because I thought it was a good idea. "In my view, it was legal, it was very similar to the third country and private support for the contras, and in my view was an added benefit of the Iranian project. "Colonel North left the office and we had periodic conversations about it just as to how it was going after that, but there was never any question in his mind or mine after that point that we were going ahead with it." (Poindexter Testim., JHICI, 7/20/87, at 66-68.)	
86/00/02-525 DURING 1986		DIVERSION: POINDEXTER'S DECISION AND PROTECTING THE PRESIDENT POINDEXTER ACCOUNT: "Mr. COHEN. . . . I was curious about your characterization of the diversion as a technical implementation of a policy that had already been	DIVERSION: POINDEXTER'S DECISION AND PROTECTING THE PRESIDENT POINDEXTER ACCOUNT: See col. 2.

decided by the President as a sort of a procedural bagatelle almost, or bookkeeping entry. I was confused about it. The President, as I understand it, authorized the sale of weapons to Iran--that is policy number one.

"The President also was determined to keep the contras alive, hold their body and soul together through assistance from third countries and individuals, and he knew about some of the third countries who were helping.

"So I was curious as to why you consider the diversion of funds to be so politically embarrassing that you felt that you should not tell him?

"Mr. POINDEXTER. Senator, there are a large number of Members of Congress that do not agree with the President's policy with regard to contras and Nicaragua and Central America. I felt that if this became know[n], that something like what has happened would happen.

"I frankly didn't think it would be quite that severe, but I was convinced it would happen, and therefore, it was going to be a politically explosive issue that the President's opponents would take advantage of to cause as much problem for him as possible.

"Mr. COHEN. You didn't regard it simply as a procedural technicality, did you? Didn't you think this was fairly substantive?

"Mr. POINDEXTER. No, I frankly didn't. In view of the amount of money that had come in from third countries and from other private sources, in the whole scheme of things, this frankly didn't

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		seem all that much different to me. "Mr. COHEN. In other words, you didn't feel it amounted to such a significant policy that you would want to inquire of the Attorney General whether or not the raising of prices in this mechanism and to divert the surplus to the contras was legal or appropriate--that didn't occur to you? "Mr. POINDEXTER. It did not occur to me to talk to the Attorney General about it. "Mr. COHEN. Or the White House Counsel? "Mr. POINDEXTER. No." (Poindexter Testim., JHICI, 7/20/87, at 64-66.)	
86/00/02-600 DURING 1986		DIVERSION: AUTHORIZATION, WHETHER THE PRESIDENT KNEW, AND WHERE THE BUCK STOPS POINDEXTER ACCOUNT: "Mr. LIMAN. And did you at any time prior to the Attorney General's finding th[e Diversion Memo] on November 22 tell the President of the United States of the fact that proce[ed]s from the Iranian arms sale were being used to support the contras? "Mr. POINDEXTER. I don't--I did not--I want to make this very clear, I understand it is an important issue--I did not talk to anybody else except Colonel North about this decision until, to my knowledge, to my best recollection, and I don't want to quibble here over times in late November of 1986--but my recollection is the first mention that I made to anybody besides Colonel North was on November 24th[,] 1986 to Ed Meese. "Mr. LIMAN. And so that the answer is you did	DIVERSION: AUTHORIZATION, WHETHER THE PRESIDENT KNEW, AND WHERE THE BUCK STOPS POINDEXTER ACCOUNT: See col. 2.

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		not tell the President of the United States? "Mr. POINDEXTER. I did not. "Mr. LIMAN. And that for a period of whatever it is, nine months, you kept it from the President of the United States for the reasons you have given. "[Counsel conferring with witness.] "Mr. POINDEXTER. Mr. Liman, this clearly was an important decision, but it was also an implementation, a very clear policy of [sic (and?)] if the President had asked me, I very likely would have told him about it. But he didn't. "And I think it is--you know, an important point here is that on this whole issue, you know, the buck stops here with me. I made the decision. I felt that I had the authority to do it. I thought it was a good idea. I was convinced that the President would in the end think it was a good idea. But I did not want him to be associated with the decision." (Poindexter Testim., JHICI, 7/15/87, at 94-95. See JHICI Ex. JMP 34 [Diversion Memo].)	
86/00/02-601 AUGUST 12, 1987 AND EARLIER		WHERE THE BUCK STOPS THE PRESIDENT'S ADDRESS, 8/12/87: "[B]ut -- let me put this in capital letters -- I did not know about the diversion of funds. Indeed, I didn't know there were excess funds. "Yet the buck does not stop with Admiral Poindexter, as he stated in his testimony; it stops with me. I am the one who is ultimately accountable to the American people. The admiral	WHERE THE BUCK STOPS THE PRESIDENT'S ADDRESS, 8/12/87: See col. 2.

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JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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		testified that he wanted to protect me; yet no President should ever be protected from the truth. No operation is so secret that it must be kept from the Commander in Chief. I had the right, the obligation, to make my own decision." (22 Weekly Compilation of Presidential Documents, at 928-29 [8/17/87]. See 87/08/12-100, -101.)	
86/00/02-610 DURING 1986		DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW POINDEXTER ACCOUNT: "Mr. LIMAN. You testified before in connection with the destruction of that November finding that you did see the job of the National Security Adviser as including protecting the President from political damage. "Do you recall that? "Mr. POINDEXTER. Yes, I did. "Mr. LIMAN. Is it fair to say that the decisions that you made to not tell the President about this use of the proceeds of the arms sale was another manifestation of that type of responsibility as you saw it? "Mr. POINDEXTER. Yes, it was. "Mr. LIMAN. You understood that if this got out, it would be very controversial. "Mr. POINDEXTER. I did understand that. "Mr. LIMAN. And that it could, if it got out and the President was associated with it, cause damage to the President? "Mr. POINDEXTER. I realized that it would do that, yes. "Mr. LIMAN. And that was indeed the reason	DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW POINDEXTER ACCOUNT: See col. 2.

for not telling him?

"Mr. POINDEXTER. That is correct.

"Mr. LIMAN. Did you not think, sir, that given the potential for damage and embarrassment that he, the President of the United States, should have the choice whether to proceed with this use of the money?

"Mr. POINDEXTER. That thought didn't cross my mind at the time. It was a matter, in my view, of keeping the contras alive so that there would be a viable option in the future to continue the pressure against the Communist Government down there. If the contras disbanded because of lack of funds, and that was always a problem, then we wouldn't have that option, and my view was, again, you have got to put this in the context of many many meetings with the President talking to him extensively about the way he thought about these issues, and I am sure, as the members of these committees and the American public understand, this is a very strong President who is very willing to take unpopular positions and provide leadership to the country. And so I really, although I can't say that at the time the thought crossed my mind that you have described, but with hindsight, I still contend that I believe that the President would have approved the decision at the time if I had asked him.

"Mr. LIMAN. And in terms of your state of mind, because that is what I am interested in, at the time you made that decision, you believed that if you had told the President, he would have approved it.

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		"Mr. POINDEXTER. Absolutely." (Poindexter Testim., JHICI, 7/15/87, at 96-98.)	
86/00/02-615 1985-86		DIVERSION: AUTHORIZATION POINDEXTER ACCOUNT: "Mr. LIMAN. You testified this morning that if the President had asked you about what countries were helping, you probably would have told him about this; do you recall that? "Mr. POINDEXTER. That would have been a difficult situation and I don't-- "Mr. LIMAN. But you wouldn't lie to the President? "Mr. POINDEXTER. I wouldn't lie to the President and if he had outright asked me about it, I would have told him. He didn't. "Mr. LIMAN. Are you saying that with the interest the President had in the contra movement and his concern about the dire straits it was in financially that he never asked you which countries were helping? "Mr. POINDEXTER. That is correct. The President, as I have said, is not a man for great detail. I don't mean that in any sort of funny way. I don't think a President ought to get involved in details. He has to maintain a strategic perspective, he has enough to worry about. "I think by and large the President has the same sort of management philosphy that I do, that he picks good people for the job and gives them a lot of authority to carry out that job. He wanted the contras supported.	DIVERSION: AUTHORIZATION POINDEXTER ACCOUNT: See col. 2.

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		"We were reporting to him on the status of the contras in general terms, and he knew that they were surviving, and that was the thing that was important to him. ". . . . "Mr. LIMAN. . . . You've talked about the fact that your management philosophy is to pick good people and to give them a broad mandate; that is fair to say? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. Was it within your management style to expect someone who was the action officer like Colonel North to seek your approval before diverting money from the Iranian arms sale to the contras? "Mr. POINDEXTER. Yes. "Mr. LIMAN. Why? "Mr. POINDEXTER. Because it was a detail of implementation that was important. "It didn't really--it didn't establish any new policy but it was a major new facet and implementation. "Mr. LIMAN. And just so that there is no question about it, because I don't want to keep repeating--and I'm not trying to restate things differently--the reason, as I understand it, for not bringing this to the President's attention was not because you thought it was unimportant, but because you thought it was within the objectives that the President had stated, it was consistent with the way in which the contras were being financed from third countries, and because you thought that it was important for the President to	

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		be able to deny this truthfully if it ever came out. Fair? "Mr. POINDEXTER. That is a fair description." (Poindexter Testim., JHICI, 7/15/87, at 168-71. See id., 7/15/87, at 95, 99 [diversion as "an implementation"].)	
86/00/02-629 DURING 1986		DIVERSION: "CLEARLY THE BIGGEST DECISION OF THIS KIND" POINDEXTER DEPOSITION ACCOUNT: "Q. You have talked about the fact that . . . you realized when Colonel North told you that money could be funneled to the contras that it could create a ruckus or some political embarrassment; you remember that? "A. Right. "Q. That was one of the reasons that you did not report this to the President? "A. That's correct. "Q. Did you not have some reservations about whether you ought to take that kind of risk? "A. Well, now that's a hard thing to reconstruct, what happened over a year ago and exactly all my thinking. I knew it was risky. Whether I should take it or not, I don't know. "Q. Was the situation with the contras so desperate at that point? "A. It was pretty grim. It was." [3 sets of questions and answers redacted in full.] "Q. Admiral, were there -- are there any other occasions during your tenure as either the National Security Adviser or the deputy where you	DIVERSION: "CLEARLY THE BIGGEST DECISION OF THIS KIND" POINDEXTER DEPOSITION ACCOUNT: See col. 2.

made a conscious decision to approve some activity but not report it to the President because it would create potential embarrassment for him?

"A. I don't think there was anything else of this magnitude. This was clearly the biggest decision of this kind.

"The President's span of control, of course, was much broader than mine. He had a limited amount of time to focus --

"Q. This would have taken five minutes to tell him, sir.

"A. The point I want to make, though, is -- and I am not trying to say this was not an insignificant decision. [Sic.] I was making judgment calls every day as to what to believe [sic (brief?)] the President on or not. This was certainly an out-of-the-ordinary kind of decision; but, you know, I was used to quickly evaluating the facts and making a decision as to whether to believe or not believe [sic (brief?)].

"This one I felt confident that it was consistent with his policies and I thought that -- and still do feel that -- I had the authority to do it.

"Q. Did you tell Oliver North that you had reported this to the President?

"A. No, I did not tell him that, to my recollection.

"Q. Did you tell anyone else prior to the time that this broke in November, the Monday when you were -- discussed this with the Attorney General, did you tell anyone else what North had told you about the funneling of the proceeds to

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		Iran? "A. No. I told nobody else." (Poindexter, Senate Dep., 5/2/87, at 170-72.)	
86/00/02-630 DURING 1986		DIVERSION: AUTHORIZATION AND DENIABILITY, GENERALLY POINDEXTER ACCOUNT, Part 1: "Mr. LIMAN. And were there any other instances during your tenure of National Security Advisor where you did not present a decision to the President but made it yours in order to give him deniability? "[Conferring with counsel.] "Mr. POINDEXTER. I am sorry, would you repeat the question? "Mr. LIMAN. Were there any other examples during your term as National Security Advisor where you withheld a decision from the President that you had made in order to give him deniability? "Mr. POINDEXTER. Well, this again, this decision, in my view, was a matter of implementation, and there were many details of implementation that were not discussed with the President. This particular detail was the only one of its kind in terms of the disagreements and the controversy that existed over the issue. "Mr. LIMAN. But, Admiral, you have said that you didn't withhold this because it was a detail, you said you withheld it because it was, you wanted to afford deniability. And my question really is: Did you ever withhold something from the President in order to give him deniability as	DIVERSION: AUTHORIZATION AND DENIABILITY, GENERALLY POINDEXTER ACCOUNT, Part 1: See col. 2.

opposed to in order to avoid burdening him with a detail? Is that question clear?

"Mr. BECKLER. Mr. Chairman, I'm going to have to ask that if Mr. Liman is going to state the predicate for his question, state it correctly. Admiral Poindexter testified that this diversion was an implementation, it was like third country diversion. It was a detailed implementation. And he also testified the reason why he withheld it was because it was explosive politically, or words to that effect.

"And I ask that be the basis for Mr. Liman's question, not Mr. Liman's assumption as to what he felt the reason was.

"Thank you.

"Mr. LIMAN. Were there any other decisions that you withheld from the President that you had made because they were politically explosive?

"Mr. POINDEXTER. I don't recall anything else that fell in that same category, although there were lots of--I want to make a distinction here between what I felt my authority was and why I didn't discuss it with the President.

"Number one, I felt that it was within my authority because it was an implementation of a policy that was well understood, that the President felt very strongly about; it was not a secret foreign policy; that the President's policy with regard to the contras was clearly understood by every member of the Congress and the American people.

"So it wasn't a matter of going out and making a secret foreign policy. The policy was clear.

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		This was a--the way of going about, of carrying out that policy. So that was my thinking in terms that I felt that I had the authority to do it. "Now, the reason that--frankly, as Colonel North has testified, I thought it was a neat idea, too, and I'm sure the President would have enjoyed knowing about it. But, on the other hand, because it would be controversial--and I must say that I don't believe that I estimated how controversial it would be accurately--but I knew very well that it would be controversial, and I wanted the President to have some deniability so that he would be protected, and at the same time we would be able to carry out his policy and provide the opposition to the Sandinista government." (Poindexter Testim., JHICI, 7/15/87, at 98-101.)	
86/00/02-631 DURING 1986		DIVERSION: AUTHORIZATION AND DENIABILITY, GENERALLY POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. LIMAN. Admiral, maybe I could refresh your recollection if I read to you from page 171 of your deposition [on 5/2/87; see 86/00/02-629]. ". . . . "Mr. LIMAN. Question: [']Admiral, were there or are there any other occasions during your tenure as either the National Security Adviser or the Deputy where you made a conscious decision to approve some activity but not report it to the President because it would create potential embarrassment for him?['] "Answer: [']I don't think there was anything	DIVERSION: AUTHORIZATION AND DENIABILITY, GENERALLY POINDEXTER ACCOUNT, Part 2: See col. 2.

else of this magnitude. This was clearly the biggest decision of this kind.[']

"Do you remember giving that testimony?

"Mr. BECKLER. Let's read the whole answer, please, counsellor.

"Excuse me. That's an objection to the Chair.

"Mr. LIMAN. [']The President's span of control, of course, was much broader than mine. He had a limited amount of time to focus.[']

"Question: [']This would have taken five minutes to tell him, sir.[']

"Answer: [']The point I want to make, though, is--and I'm not trying to say that this was an insignificant decision. I was making judgment calls every day as to what to believe, as to what to brief, I think, the President on or not. This was certainly an out-of-the-ordinary kind of decision. But, you know, I was used to quickly evaluating the facts and making a decision as to whether to brief or not brief.[']

"Mr. BECKLER. Continue to the end of the answer, I think, counsel--

"Mr. LIMAN. [']This one I felt confident that it was consistent with his policies, and I thought that and still feel that I had the authority to do it.[']

"Now Admiral, was there any other case during your tenure as National Security Adviser or Deputy where you made a decision to approve some activity of this magnitude but not report it to the President because it would create potential embarrassment for him?

"Mr. POINDEXTER. I think I've already

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		answered the question, Mr. Liman. "Mr. LIMAN. Is the answer no? "Mr. POINDEXTER. The answer is, not of this magnitude." (Poindexter Testim., JHICI, 7/15/87, at 101-03.)	
86/00/02-632 DURING 1986		DIVERSION: AUTHORIZATION POINDEXTER ACCOUNT: "Mr. HATCH. . . . Given the President's clearest directions on Iran and the contras, how did you view your decision not to tell him about the diversion? Did you view it then, or do you view it now, as a major foreign policy decision? "Mr. POINDEXTER. I did not view it then and I don't really view it now as a major foreign policy decision. It was a matter of implementing the President's policy. "Mr. HATCH. Did you view those funds, the residual funds that you talked about, as U.S. Government funds? "Mr. POINDEXTER. I did not. "Mr. HATCH. You did not. You considered those private funds once the Government was paid what it asked for with regard to those weapons? "Mr. POINDEXTER. That's correct. The U.S. Government got every penny that was appropriated for those weapons." (Poindexter Testim., JHICI, 7/20/87, at 169.)	DIVERSION: POINDEXTER ACCOUNT: See col. 2.
86/00/02-635 DURING 1986		DIVERSION: WHETHER THE PRESIDENT WANTED DENIABILITY POINDEXTER ACCOUNT: "Mr. LEON. You testified a while ago that you	DIVERSION: WHETHER THE PRESIDENT WANTED DENIABILITY POINDEXTER ACCOUNT: See col. 2.

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		hadn't given any thought, as I recall it, as to whether the President wanted deniability. You hadn't focused on that? "Mr. POINDEXTER. I really hadn't focused on that issue. "Mr. LEON. Do you have any reason to believe that he did necessarily want deniability? "Mr. POINDEXTER. That is correct. [Sic.] In fact, the answer to that would probably be that he did not want deniability. "Mr. LEON. Was it your experience that the President was unwilling to face up to tough political questions? "Mr. POINDEXTER. Absolutely not. As I tried in my testimony to point out, that this President was willing to make tough decisions. "Mr. LEON. Was there ever any instance in the five-and-a half years that you worked at the NSC that you were aware of when the President said after he had been made aware of a risky or difficult political choice, don't bring that to my attention in the future? "Mr. POINDEXTER. Never." (Poindexter Testim., JHICI, 7/17/87, at 79-81.)	
86/00/02-636 DURING 1986		DIVERSION: DENIABILITY, GENERALLY POINDEXTER ACCOUNT: "Mr. LEON. Let me ask you something about deniability. Would you agree with me, Admiral, that deniability in essence is a two-sided coin? On the one side of the coin, as you testified, people that you did not inform--such as the President, Donald Regan, the Secretary of State,	DIVERSION: DENIABILITY, GENERALLY POINDEXTER ACCOUNT: See col. 2.

Elliott Abrams--with regard to the diversion, they were freed by not being informed from choosing, in essence, between disclosing the information you didn't tell them about or making a false statement if confronted and questioned about it by Britt Hume or Robert Novak, Congressman Hamilton, or one of the Senators?

"Mr. POINDEXTER. That's correct.

"Mr. LEON. They were freed from that choice by your decision.

"But the reverse to that coin is that you had to face that choice if you were confronted?

"Mr. POINDEXTER. That's correct.

"Mr. LEON. Colonel North was faced with that dilemma, was he not, in essence, in August, 1986?

"Mr. POINDEXTER. Reviewing it after the fact, yes, indeed, he was faced with that problem.

"Mr. LEON. Before he went to that briefing of the House Intelligence Committee that you agreed to, that you sent him to, did you consider the possibility that there might be a diversion question to him, some kind of inquiry along those lines?

"Mr. POINDEXTER. I don't believe that thought crossed my mind, Mr. Leon.

"We had kept--he and I had kept this issue, I thought, very highly compartmented and I didn't have any indication at that point that there were any leaks.

"Mr. LEON. How about when the Hasenfus plane went down in October of '86 and it was reported that Southern Air Transport Company was involved in that; and, of course, that was the same airline

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		that was involved in the Iranian initiative. There were connections in there and there were all these statements out there on the record about no U.S. Government involvement. "Did you consider the possibility at that time that Colonel North might be questioned or you might be questioned about a diversion link between the two? "Mr. POINDEXTER. I don't think at that time the diversion link crossed my mind. We were concerned, though, because Southern Air Transport was involved in the private effort to support the contras. They were also--I was informed, I don't think I realized it until the time, when Colonel North reported to me that Southern Air Transport was involved in the Iranian project. "As a result of that, I did make a call to Ed Meese and asked him to hold up either--either hold up on the investigation of Southern Air Transport or just make sure that the investigators understand that there may be some other very sensitive information that they could come upon and he should take the necessary steps to make them aware of that possibility. "As I recall, I left it up to him as to how he handled it. I just alerted him to the fact. Of course, he was aware of the Iranian project and I felt comfortable in talking to him about it." (Poindexter Testim., JHICI, 7/17/87, at 88-91.)	
86/00/02-637 DURING 1986		DIVERSION: PLAUSIBLE v. ABSOLUTE DENIABILITY POINDEXTER ACCOUNT:	DIVERSION: PLAUSIBLE v. ABSOLUTE DENIABILITY POINDEXTER ACCOUNT:

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		"Mr. NUNN. . . . Admiral, you have used the term during the course of the last four or five days a good many times, the term 'plausible deniability.' "Mr. POINDEXTER. Correct. "Mr. NUNN. Everybody I have talked to in the intelligence community and around town where that term has been used tells me that the definition of that term is that when you set up plausible deniability for someone, the President or someone else, what that mean is that they know the facts in question, but they can deny the knowledge and that the denial is believable. "Now, would you tell us whether that is your definition or whether you have some other definition in mind? "Mr. POINDEXTER. First of all, Senator, I believe if you go back and look at my testimony on May 2nd, when this issue first came up, I used the term deniability, that I wanted to provide the President deniability and insulate him from the decision. [See 86/00/02-510.] "Since that testimony, the terminology has been raised in these hearings of plausible deniability and I have gone along with that definition. "Since this is not any sort of printed doctrine or dogma, it simply is a concept, I think it is open to interpretation; and my interpretation of it is simply and very straightforwardly the ability of the President to deny knowing anything about it and be very truthful in that process. He didn't know anything	See col. 2.

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		about it. "Mr. NUNN. That is what I would call absolute deniability. If you don't know, it is not only plausible, it just didn't happen. Is that what you mean then? "Mr. POINDEXTER. Absolute deniability would be a more accurate description. "Mr. NUNN. Because that word has been used quite a bit during these hearings. "Mr. POINDEXTER. It has been. And again because it is not something that is codified, it is the same thing with covert action and special activities. We use covert action when most of the time we are talking about special activities. But because deniability, plausible deniability or absolute deniability are [sic] not defined in statute anyplace, it is obviously open to interpretation. "Mr. NUNN. Well, you are not--let's just make the record clear. You are not using plausible deniability as it has commonly been used and I defined it? "Mr. POINDEXTER. As discussed in the morning newspaper, I believe, I am not using plausible deniability in that way or the way that you defined it." (Poindexter Testim., JHICI, 7/21/87, at 58-60.)	
86/00/02-638 DURING 1986		DIVERSION: DENIABILITY POINDEXTER ACCOUNT: "Mr. JENKINS. . . . I would simply like to end with one question on the central issue of deniability. You testified that at the time you	DIVERSION: DENIABILITY POINDEXTER ACCOUNT: See col. 2

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		approved of the diversion that you knew that it, if it were ever revealed, that you would have to resign, I believe was your testimony. "Mr. POINDEXTER. That is correct. "Mr. JENKINS. This seems to be such a statement that you were going to make a decision that you knew would result in your having to resign from your position, and even in view of that, you decided, as you testified, not to reveal that to the President of the United States? "Mr. POINDEXTER. That's correct. I knew it would be a very controversial, political issue. "Mr. JENKINS. So that he would have denability? "Mr. POINDEXTER. That's correct. I wanted him insulated from the decision. And I think the American people understand that." (Poindexter Testim., JHICI, 7/21/87, at 122-23.)	
86/00/02-640 JULY 17, 1987		"THE WHOLE IDEA OF DENIABILITY" POINDEXTER'S FIRST RESPONSE TO STATEMENT FROM THE WHITE HOUSE: "Mr. LEON. Now, I think you testified at one point in one of your depositions that you don't believe the NSC should be or is an ivory tower? "Mr. POINDEXTER. That is correct. "Mr. LEON. Do you still hold to that position? "Mr. POINDEXTER. I do. "Mr. LEON. Why don't you explain that? "Mr. POINDEXTER. The problem is that--as I have hinted at before, but this is an opportunity to expand on it--we live in a very imperfect	"THE WHOLE IDEA OF DENIABILITY" POINDEXTER ACCOUNT: See col. 2.

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		world. You don't always have good decisions--good options to make, and decisions are necessary. The stakes are simply too high for us not to take actions. Invariably, because you don't always have good options, there are high risks involved. "The bureaucracy--and I don't mean to demean them in any way, because there are a lot of very fine, dedicated public servants out there in the bureaucracy--but the problem is that many of the options that a President has in managing foreign policy involve high risk, and because of the mechanics of our government, the bureaucracy doesn't handle risk very well, high-risk situations. They are always concerned about failure and the results of failure. "This episode that we are presently involved with, I think, is a good demonstration of the costs of failure, because clearly our Iranian project failed, we didn't achieve our objectives, it was exposed before we had a chance to achieve the success that we thought was possible. "Now, because the cost of failure is very high, the bureaucracy is not willing to recommend, often recommend, or certainly endorse high-risk operations, because of their fear of failure and the resulting harangue that comes about because of failing. Therefore, they don't make those kinds of hard options available to the President. And I think one of the roles of the NSC staff has got to be to bring these options to the President, and because the bureaucracy is often not willing to push them once a decision is made, push them vigorously, I feel that in the very real world	

that we live in, the NSC staff has got to be the catalyst that keeps the process moving forward, keeps the President's decisions moving along, and helps to make sure that they are implemented, and that often involves an operational role for the NSC staff. Their only loyalty is to the President.

"Mr. LEON. You have just stated that there were times that you had to bring those kinds of options--in certain circumstances that were high risk--to the attention of the President?

"Mr. POINDEXTER. Yes.

"Mr. LEON. In that case, you made a judgment not to bring a high-risk option to the attention of the President with respect to diversion, isn't that right?

"Mr. POINDEXTER. That is correct.

"Mr. LEON. With respect to that decision, you have testified ad nause[a]m that you thought had you brought it to the President's attention, he would have approved it?

"Mr. POINDEXTER. Yes. That is why I was comfortable with taking that decision.

"Mr. LEON. The events that have transpired since it was brought to the President's attention by the Attorney General on the 24th [of November, 1986] seem to suggest, Admiral, that you guessed wrong?

"Mr. POINDEXTER. Well, I disagree with you, Mr. Leon.

". . . .

"Mr. LEON. But the President has indicated in questioning to the press that since these events

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		have transpired that had that been made aware to him that that option existed of diversion of residual funds that he would not have authorized it. He said that. [See 87/03/19-103.] "Mr. POINDEXTER. I understand that he said that, and I would have expected him to say that. That is the whole idea of deniability." (Poindexter Testim., JHICI, 7/17/87, at 75-79.)	
86/00/02-641 JULY 17, 1987		DIVERSION: "THE WHOLE IDEA OF DENIABILITY" POINDEXTER'S SECOND RESPONSE TO STATEMENT FROM THE WHITE HOUSE: "Mr. NUNN. Speaking of misjudgments, Mr. Leon went into a few minutes [a]go with you about the recent White House statements since your testimony. "As you recall, in this morning's paper, without trying to get real specific on it, the White House disputed . . . let me read you the quote, it would be better here. "'The White House yesterday disputed Poindexter's earlier contention that Reagan would have approved the diversion of funds to the contras if he had been asked to do so. Spokesman Marlin Fitzwater said the diversion "wouldn't have happened" had Reagan been advised. Fitzwater also said that officials who failed to seek Reagan's approval for important decisions as Poindexter testified he had in the case of the diversion had done the President a "disservice."' "You read that? "Mr. POINDEXTER. I think I had it read to me	DIVERSION: "THE WHOLE IDEA OF DENIABILITY" POINDEXTER ACCOUNT: See col. 2.

this morning.

"Mr. NUNN. Then you said in answer to the previous question, 'I would have expected him to say that'--this is a quote according to my notes--quoting you, 'I would have expected him to say that. That is the whole idea of deniability.'

"Is that correct?

"Mr. POINDEXTER. That is correct.

"Mr. NUNN. Admiral, you testified on July 15th, a morning session, page 98, quoting you, 'I believe that the President would have approved the decision at the time if I had asked him.'

"Is that correct?

"Mr. POINDEXTER. I don't have the testimony here in front of me, but I will take your word for it.

". . . .

"Mr. NUNN. . . . Let me just ask you again, Admiral, after reading the denials by the White House issued since your testimony, do you still believe the President would have approved that decision if you had asked him?

"Mr. POINDEXTER. I do.

"Mr. NUNN. You have not changed your mind?

"Mr. POINDEXTER. I have not changed my mind.

"Mr. NUNN. Again, you said July 15, page 95, reading the words if you can find them, 'I made the decision. I felt I had the authority to do it. I thought it was a good idea. I was convinced that the President would in the end think it was a good idea.'

"Do you see that?

"Mr. POINDEXTER. Yes.

"Mr. NUNN. Is that still your testimony[?]

"Mr. POINDEXTER. It is.

"Mr. NUNN. So that the denials from the White House have had no effect on your testimony?

"Mr. POINDEXTER. No, they have not.

"Mr. NUNN. That means, Admiral, you must believe the White House is now misleading the American people?

"Mr. POINDEXTER. No, I don't think so.

"Mr. NUNN. How can it not be?

"Mr. POINDEXTER. Well, number one, what you have are reports of what Marlin Fitzwater said. I don't know exactly--

"Mr. NUNN. You don't believe he is speaking for the President?

"Mr. POINDEXTER. Well, I would--I would want to have a personal conversation with the President, which I have not had, and which would not be appropriate at this time.

"Mr. NUNN. If Marlin Fitzwater really was speaking for the President, would you agree that those statements are in your opinion misleading the American people?

"[Counsel conferring with witness.]

"Mr. POINDEXTER. Senator, as I have testified before, and you have gone over some of the instances just now, I felt that the President would approve that if I had asked him.

"I still feel that way. I am giving you my thought process at the time, my thought process now.

"At this point, I can't speak for the White House. I don't know what they have got in mind

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		over there, and I really can't comment on that. "Mr. NUNN. Well, I would just observe, Admiral, you can refute this if you like, a White House statement directly contradicts your testimony and you are standing by your testimony, so your testimony directly contradicts the White House statements. "Mr. POINDEXTER. That is correct. It appears to be obvious. People can draw their own conclusions I guess." (Poindexter Testim., JHICI, 7/17/87, at 115-19. See id., 7/21/87, at 32 [Poindexter accepts Sen. McClure's characterization of Poindexter's testimony that "times are different, the situation is different, the President's judgment is different than you would have at that time anticipated."].)	
86/00/02-642 DURING 1986		DIVERSION: WHETHER THE PRESIDENT WOULD HAVE APPROVED POINDEXTER ACCOUNT: "Mr. SARBANES. Mr. Chairman, I have a final question. "Admiral, you've taken the position here that if the President had known about the diversion, he would have approved it. The Chief of Staff, Mr. Baker, has said that the--that Admiral Poindexter's remark is based on no conversation with the President and based on no piece of evidence; and, in fact, the President said in his March press conference that had he known about it, you would have heard him shout all the way down the corridor and through the door. [See	DIVERSION: WHETHER THE PRESIDENT WOULD HAVE APPROVED POINDEXTER ACCOUNT: See col. 2.

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87/03/19-103.]

"Now, how are we going to square your position with that of the President, or, to put a more fundamental question, what steps can we take to prevent future National Security Advisers from arrogating unto themselves this authority?

"We have an instance here in which you've assumed this authority. You assert that the President would approve it. The President is very clear in saying he would not.

"Mr. POINDEXTER. Well, as I have testified before, Senator, I think it was very clear in my mind that I had the authority to approve that action.

"Now, one of the reasons that I testified that I decided to approve it was that I felt that the President would have approved it if I asked him in February of 1986. I still feel that way.

"Now, this is a great deal of time later, a lot of things have happened, the circumstances are different; and I, frankly, don't think it's appropriate to speculate now on what the decision would have been at the time given the conditions that existed at the time. The conditions today are different.

"Mr. SARBANES. Well, the President says he would not have approved it; is that correct?

"Mr. BECKLER. May we finish our response, please, Mr. Senator?

"Mr. POINDEXTER. Clearly there is a contradiction. I think that contradiction is going to have to stand.

"I have testified what I believed at the time

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		and what I believe today. Now, there can be disagreements about that. "Mr. SARBANES. Thank you, Mr. Chairman." (Poindexter Testim., JHICI, 7/20/87, at 44-45.)	
86/00/02-644 DURING 1986		DIVERSION: POINDEXTER'S DECISION AND THE PRESIDENT'S CREDIBILITY POINDEXTER ACCOUNT: "Mr. CHENEY. . . . If you go back and find instances where, whether it is the Iranian arms transaction, or the alleged diversion of funds to the contras, where there is a question about his [sc. the President's] credibility, then it seems to me you have destroyed his effectiveness for the future, or seriously weakened it, made his problems in governing more difficult than they otherwise might be. "Do you have concern about that? "Was that ever subject of a discussion? "Mr. POINDEXTER. Well, in my view I think that the President has remained very credible throughout this whole episode. That, of course, was part of my plan. "That is also why I recognized when I approved the diversion or the transfer of the residual funds to the contras that if, indeed, that ever did leak out, that I would have to resign, and I was prepared to do that. "You know, I approved it. I accept responsibility for it. And I don't think that the President has lost any credibility because of that. He has said all along that he was unaware. "Indeed, he was unaware. I think with regard	DIVERSION: POINDEXTER'S DECISION AND THE PRESIDENT'S CREDIBILITY POINDEXTER ACCOUNT: See col. 2.

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		to the Iranian project, in his speech that he made to the country [November 13, 1986], the statements were accurate, in my view. I still feel they were accurate. We weren't telling everything that we knew at that point, and that was very deliberate. "And I, frankly, think, Mr. Cheney, that the American people understand that. I don't think they want to know the secrets of all of the details of the actions that the U.S. Government takes in trying to implement foreign policy and to protect the national security of the United States. "The kinds of responses that I have been getting in telegrams since my appearance, my public appearance here, convinces me that that is the case. "I think the American people understand very well that they don't want to know all of the details." (Poindexter Testim., JHICI, 7/20/87, at 56-57.)	
86/00/02-645 DURING 1986		DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT WOULD HAVE APPROVED REGAN ACCOUNT: "Mr. REGAN. . . . [C]ertainly I think the President of the United States should have been contacted on that one, or the Secretary of Defense, certainly. Had [sic] been alerted this type of thing was going on. "Mr. COHEN. Well, that is one of the other questions that I think all of us have, that John Poindexter has a reputation of--not of someone who takes bold leaps or engages in any sort of	DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT WOULD HAVE APPROVED REGAN ACCOUNT: See col. 3.

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		'Kissingerian'--if I can use that phrase--ingenuity, but straightforward, by the book. His whole history has been absolute chain of command. "How could he have been so wrong in this case to have presumed the President would have authorized such a major decision on his part? "Mr. REGAN. I notice that he testified that way before this committee or these committees. I would dispute that. "I don't think the President of the United States would have condoned this had he known about it. I don't think that he would have said, 'Yes, let's go, mark this stuff up and divert the money to the contras.' I don't think he would have participated in that. I know I wouldn't have. "That whole idea would have been, you know, very, very much contrary to the Ronald Reagan that I knew." (Regan Testim., JHICI, 7/30/87, at 134.)	
86/00/02-646 DURING 1986		DIVERSION: POINDEXTER'S DECISION POINDEXTER ACCOUNT: "Mr. STOKES. . . . Let me refer, cousel, to page 77, Friday, July 17th's transcript. That is the morning session. ". . . . "Mr. BECKLER. I have it. In fact, I have it open, because this is the same page that Senator Mitchell was referring to in his quote. [See 86/00/02-640, 86/11/25-563.] It is part of a larger answer. "Mr. STOKES. At the beginning of that page I want to read from it, Admiral Poindexter	DIVERSION: POINDEXTER'S DECISION POINDEXTER ACCOUNT: See col. 2.

testifying, saying now because the cost of failure is very high, the bureaucracy is not willing to recommend, often recommend or certainly endorse high-risk operations because of their fear of failure and the resulting harangue that comes about because of failure. Therefore they don't make those kinds of hard options available to the President and I think one of the roles of the NSC staff has got to be to bring these options to the President.

"Then it goes on further.

"Mr. BECKLER. In fact, it would even be helpful, if you could, to continue that answer.

"Mr. STOKES. Counsel, I'm going to read the part that predicates my question. He can read whatever he likes.

"Mr. BECKLER. Thank you, sir.

"Mr. STOKES. This is you speaking, Admiral. You are talking about the necessity to bring these options to the President.

"Tell us, sir, in light of your experience, your role as adviser to the President, your statement here that these options are those of the President--tell us why you prevented the President from exercising the option with reference to diversion.

"Mr. POINDEXTER. Mr. Stokes, I have already answered that question numerous times. You want me to repeat it?

"Mr. STOKES. I think you have answered it from the viewpoint of saying to us you did it to provide him with deniability. I don't think that deniability is something, Admiral, that you

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		necessarily give him. If he had known nothing about it, he would be able to deny in the first sense because he knew nothing about it. You don't necessarily give him deniability simply because you say you didn't tell it to him. He had deniability no matter what you did, as long as you didn't tell him. "Mr. POINDEXTER. That's right. "Mr. STOKES. So why did you prevent him, the President of the United States--you are the adviser, not the Preident of the United States--why did you prevent him from making his decision? "Mr. POINDEXTER. At some future time I thought it might be useful for him to be able to distance himself from that decision on implementation of his policy. "It was clearly, in my mind, within my authority to make that kind of decision and, as I have testified, all the reasons why I decided to approve it, and that is the end of it." (Poindexter Testim., JHICI, 7/20/87, at 226-28. See id., 7/20/87, at 40 [Poindexter on authorizing the diversion].)	
86/00/02-648 DURING 1986		DIVERSION: AUTHORIZATION POINDEXTER RESPONSE TO McFARLANE: "Mr. NUNN. Earlier this week, I asked Mr. McFarlane whether as National Security Advisor he would have reported the diversion of funds to the contras to the President. In response he testified, 'While I was serving, if a change of that magnitude had occurred, I would have reported	DIVERSION: AUTHORIZATION POINDEXTER ACCOUNT: See col. 2.

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		it.' "Does that testimony surprise you? "Mr. POINDEXTER. No. I think that Mr. McFarlane probably would have." (Poindexter Testim., JHICI, 7/17/87, at 110-11.)	
86/00/02-650 DURING 1986		DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW POINDEXTER ACCOUNT: "Mr. LIMAN. Did you ever tell Colonel North that you were not going to tell the President? "Mr. POINDEXTER. I did not. That was a private decision of mine. I did not tell Colonel North one way or the other whether I would tell the President. I did give him broad general authority to carry out the plan in the same conversation in which he raised the issue. "Mr. LIMAN. Did you make any effort to lead him to believe that you were going to discuss this with the President? "[Counsel confers with witness.] "Mr. POINDEXTER. I did not give him any reason to believe that because I didn't feel that was necessary. I was clearly his superior and Colonel North, I think as you observed, is a very competent and capable staff officer, and he understood that and had no question, I don't think. "Mr. LIMAN. You have heard his testimony that up until mid-November he operated under the assumption that you had told the President. "Do you know what you said or did that gave him that assumption?	DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW POINDEXTER ACCOUNT: See col. 2.

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		"Mr. POINDEXTER. I think it was simply--again this is speculation on my part because I have not had a discussion with Colonel North on this subject, but just based on experience and my relationship with Colonel North over a period of several years, he would know that in general I briefed the President on most all aspects of all the projects that Colonel North was involved with. "So it would not be surprising to--it would not be surprising to him if I had discussed it with the President. "Mr. LIMAN. And indeed not telling the President was an aberration here? "Mr. POINDEXTER. It was unusual." (Poindexter Testim., JHICI, 7/15/87, at 104-06. See Poindexter Testim., JHICI, Executive Session, 8/6/87, at 11-15 [whether the President knew of the diversion].)	
86/00/02-652 1985-86		DIVERSION: POINDEXTER'S AUTHORIZATION AND THE PRESIDENT'S KNOWLEDGE POINDEXTER ACCOUNT, Part 1: "Mr. BOREN. . . . How did you feel when on March 17th, the President said at his press conference that indicated that he would have strongly objected had the question of the diversion of funds been raised to him for his approval? "In fact, I will quote him directly at his press conference. He said--he was asked, 'Could you possibly have forgotten if you were asked about the diversion of funds?' and the President answered, 'Oh, no. You would have heard me	DIVERSION: POINDEXTER'S AUTHORIZATION AND THE PRESIDENT'S KNOWLEDGE POINDEXTER ACCOUNT: See col. 2.

without opening the door to the office, if I had ever [sic ("ever" not in President's statement)] been told that at any time.' [See 87/03/19-103.]

"How did you react? How did you feel about it when you heard the Commander-in-Chief giving the implication that he would have so strongly disapproved that you would have heard him all the way through the door?

"Mr. POINDEXTER. I don't react strongly to things like that. I accepted that as what the President felt.

"Mr. BOREN. Did it cause you--you said several times in response to Senator Nunn's question, you said that you felt secure in assuming that if you had ever asked the President, you wanted to protect the President against a controversial decision, but you felt secure that if you had ever asked the President, he would have approved it.

"Now the President is saying to the American people in March that--he is implying he would have violently approved [sic (disapproved?)] of it and not authorized it. He said, 'You would have heard me through the closed door.'

"And I wonder how you felt about that? Whether or not you felt that the President was truthfully expressing his feelings to the American people? Or do you think that the President was just carrying through with what you have called deniability?

"Mr. POINDEXTER. I think the President has always been truthful to the American people. We discussed this this morning. I don't really think

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		it is appropriate to speculate now when the circumstances or in March of this year, when the circumstances are a great deal different than they would have been in February 1986. I still stand with my judgment, and it will have to remain a contradiction." (Poindexter Testim., JHICI, 7/10/87, at 123-25.)	
86/00/02-653 1985-86		DIVERSION: POINDEXTER'S AUTHORIZATION AND THE PRESIDENT'S AWARENESS POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. BOREN. So you feel that the President's statement . . . in March that he would have had violent reaction to it contradicts what you think the President's feeling would have been at the time. ". . . . ". . . But by protecting the President in advance by not telling him, I wonder when the story began to come out, starting with the Beirut newspaper and otherwise, the President is in a position by your not having told him, to deny that he knew about it. "Did you ever go to the President after this story all started to come out and say, Mr. President, you didn't know about it at the time, but this thing looks like it is really going to be controversial, and I think you should know, you should hear it from me, you should know exactly what went on because you are going to be asked some questions? "Did you ever go to the President after the	DIVERSION: POINDEXTER'S AUTHORIZATION AND THE PRESIDENT'S AWARENESS POINDEXTER ACCOUNT: See col. 2.

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		fact at any time? "Mr. POINDEXTER. With regard to the transfer-- "Mr. BOREN. The diversion of funds? "Mr. POINDEXTER. Residuals? "Mr. BOREN. Yes. "Mr. POINDEXTER. No, I did not. Because, as I have testified earlier, up until the very last minute that month, I did not think that the transfer of residuals would come out. In fact, I specifically had directed Colonel North to leave that out of the chronologies. [See 86/11/18-170.] I was treating that as a separate issue. "Mr. BOREN. So before you knew the President was going to make a speech to the American people on November 13th-- "Mr. POINDEXTER. I didn't see that that-- "Mr. BOREN. You still felt the President didn't need to know? "Mr. POINDEXTER. That is correct. "Mr. BOREN. Again, with this press conference on the 19th, you felt the President didn't need to know? "Mr. POINDEXTER. That is correct. "Mr. BOREN. I have to say that really troubles me. Going back to my experience as an executive on a very small scale, I used to say to my staff, if you did a mistake, you did something to inject me into controversy, I want to be the first person who knows about the mistake. Especially when trouble hits. I want to know all the facts. "Mr. POINDEXTER. Senator, I obviously didn't	

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		think it was a mistake. If I had discussed that in the White House before I left, I think it would have made it much more difficult for the President to distance himself from the decision. It would have raised a lot of questions as to when he knew it. "This way he didn't know. "Mr. BOREN. I suppose the President could have said, though, I didn't know it at the time and I found out about it later. He could have said exactly when he found out? "Mr. POINDEXTER. I know. But I think it would have been, in my opinion, more difficult to believe that and decided to do it the way I did it." (Poindexter Testim., JHICI, 7/20/87, at 126-28.)	
86/00/02-654 1985-86		DIVERSION: POINDEXTER'S AUTHORIZATION AND PRESIDENT'S AWARENESS POINDEXTER ACCOUNT, Part 3: [Continuing from preceding entry:] "Mr. BOREN. . . . Now, I would ask you again as we try to learn from this, does it not trouble you at all in retrospect--and I am not asking you to be perfect, I am not here to condemn you, I am not here to try you. "I am here for us to learn for the future. That as we are thinking about the constitutional system and the heart and soul of it, wouldn't you say that in the future, controversial decisions should be brought to the President of the United States so that he, as the elected--person elected by the American people, can make those decisions	DIVERSION: POINDEXTER'S AUTHORIZATION AND THE PRESIDENT'S AWARENESS POINDEXTER ACCOUNT: See col. 2.

for himself?

"Mr. POINDEXTER. It certainly would make it easier on the people involved to do that. I don't know. The future is obviously going to be very complex.

"Mr. BOREN. Admiral Poindexter, isn't it a matter of making it easier for the people involved? It's a question that in this republic with the democratic principles we have, the Constitution says the President is the Commander-in-Chief. It doesn't say the National Security Adviser; it doesn't say any bureaucrat appointed by the President. It says the President, and it is because he is elected by the people.

"So doesn't it trouble you, as we are talking about--we are talking about whether he met with the people, whether it is inconvenient, we are talking about the preservation of constitutional government.

"Mr. POINDEXTER. Senator, the difference between the way you think about it and the way I think about it, I frankly don't think, in the whole scheme of things, it is that important a decision. It obviously is a controversial one.

"The thing that's made it important in your eyes, in my mind, is the overreaction of the media to it, and members of Congress have to react to the media. I think that is what happened.

"Mr. BOREN. I guess we just have an honest disagreement and I would say that apparently the President himself now feels he wishes he'd been told and has implied that he would have prevented

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		it from happening if he had been told. "Mr. BECKLER. Mr. Chairman, I'm not sure where the support is for the President saying-- "Mr. BOREN. The President said, Mr. Chairman, that you would have heard me through a closed door if I had been told that. That's the President of the United States, elected by the people, the Commander-in-Chief that the people have elected. He has said so, Mr. Chairman. "Mr. BECKLER. If this committee's record is the record before this committee and it is interested in getting the facts, I say nowhere in the factual record is there one scintilla of evidence that suggests in any way, shape or form that this witness, Admiral Poindexter, was told by the President that he should have been told that, either then, now or at any time in these last few weeks. "That is what I'm talking about. "Chairman HAMILTON. . . . But this is not a court of law; this is a congressional committee, and members of this committee have every right to refer to events that are reported in the media. And I think Senator Boren's position and question is well taken. "Senator, you may proceed." (Poindexter Testim., JHICI, 7/20/87, at 130-33.)	
86/00/02-655 DURING 1986		DIVERSION: AUTHORIZATION, AND THE PRESIDENT'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. RODINO. Let me just make a final observation, Admiral.	DIVERSION: AUTHORIZATION, AND THE PRESIDENT'S KNOWLEDGE POINDEXTER ACCOUNT: See col. 2.

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LONG-FORM VERSION

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		"You have testified here and stated that you were concerned about the disclosure of a lot of these facts concerning the diversion, concerning the sale of arms for hostages, and you wanted really to protect the President from political embarrassment. But isn't that political embarrassment that you talk of merely a consequence of a disclosure to the American people of misstatements and misleading information that the public might then be aware of? "Wouldn't that be the political embarrassment? "In other words, wouldn't it be, in effect, an attempt to keep the American people from knowing, from knowing what had taken place, and the political embarrassment as a consequence that would occur to the President, but weren't you keeping the American people from knowing what was happening? "Mr. POINDEXTER. No, I don't view it that way at all. The people knew that the President wanted to support the contras and was going to do everything he could to do that. He constantly talked about that, how important it was. "Mr. RODINO. He didn't tell him he wanted to divert funds or trade arms for hostages[.] "Mr. POINDEXTER. He told them, Mr. Rodino, that we were trying to get the hostages back and we were working very hard to do that, but he wasn't going to--he specifically told them that he was withholding information on how we were trying to get the hostages back. "I frankly don't think the American people want to know that, Mr. Rodino.	

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		"Mr. RODINO. I don't think the American people want to know what they shouldn't know, but I think, Admiral, that the political embarrassment that you speak about can't be other than a refusal on your part to get the American people to participate in the process of knowing what the President had been doing and what the Administration had done. "Mr. POINDEXTER. The main point, and maybe I wasn't clear on this, but I'll go over it again--I thought that the transfer, the use of residuals to support the contras, would be a politically volatile issue. "It wasn't withholding it from the American people; it was that there were a lot of opponents in the Congress that would have not agreed with our interpretation of the Boland Amendment. They wouldn't have agreed to the Iranian project, just as we have seen demonstrated, and if it came out it was going to be a very hot political issue that would be used to pound on the President. "And I wanted to be sure that the President could say that he didn't have anything to do with that part of it, and he has said that, and I think in the end I believe that the President is going to come out stronger for it." (Poindexter Testim., JHICI, 7/20/87, at 155-57. For Poindexter testimony following this entry, see below at 86/11/19-351.)	
86/00/02-658 DURING 1986		DIVERSION: AUTHORIZATION, GENERALLY SHULTZ ACCOUNT: ". . . I heard the question put to Admiral	DIVERSION: AUTHORIZATION, GENERALLY SHULTZ ACCOUNT: See col. 2.

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		Poindexter, did he tell the President about this fund diversion, and he said no, he decided that he wouldn't do that, and of course the President has said that he had no information about the fund diversion. "I have no doubt about the President's word on that matter--never have--because I've heard him say that in private as well as public. "But in a sense, when I heard that question and answer, I said to myself, well, that's an interesting question, that's a Washington question, 'who did what to whom' type question, but the deeper question is how could it be that a staff person was the sole possessor of such a piece of information and had operational control over it and his colleagues didn't know about it and he had that decision in his hands. "That decision shouldn't be in his hands in the first place. "So I believe that the Tower Commission was absolutely right in saying that the staff of the National Security Council should not be involved in operations at all. ". . . ." (Shultz Testim., JHICI, 7/23/87, at 138.)	
86/00/02-659 DURING 1986		DIVERSION: AUTHORIZATION, GENERALLY SHULTZ ACCOUNT: "Mr. TRIBLE. Admiral Poindexter told us that he did not talk to the President about the diversion of funds to the contras because, in his view, it was unimportant, a matter of implementation, just a detail. Do you share that	DIVERSION: AUTHORIZATION, GENERALLY SHULTZ ACCOUNT: See col. 2.

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		analysis? Shouldn't the President be told about that kind of decision? "Secretary SHULTZ. I think it is the responsibility of someone like myself or in the position of the National Security Adviser to seek the President's decisions. That was a very big thing and, in my opinion, a very wrong thing. So to decide on behalf of the President not to tell him about it is totally wrong. "I think that the more controversial in a sense something may be, that you as a person in charge of some operation want to do, the greater your responsibility to point up to the President exactly what is controversial about it, not to try to--in this case, the decision was not to tell him at all but you can imagine people going in and sort of passing something by the President in a way that he perhaps doesn't quite see in a busy schedule the significance of it. But I think the more controversial it is, the more it is your responsibility to point it up, because, as we all know, and as I keep saying here, it is the President that got elected, and so he is the guy that gets the right to make the decisions." (Shultz Testim., JHICI, 7/24/87, at 80-81.)	
86/00/02-710 DURING 1986		DIVERSION: AUTHORIZATION NORTH ACCOUNT: (1) "[D]iversion is action that I took that I believed I had the full authority to take." (North Testim., JHICI, 7/9/87, at 126.) (2) "The actions that I took, all of them, to include the use of residual funds from the sale of	DIVERSION: AUTHORIZATION NORTH ACCOUNT: See col. 2.

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		arms to Iran to support the Nicaraguan resistance and other activities[,] were approved. All of them." (North Testim., JHICI, 7/9/87, at 128.)	
86/00/02-720 JANUARY - NOVEMBER 1986		DIVERSION: AUTHORIZATION, AND POINDEXTER'S AWARENESS OF PROFITS AND RISKS NORTH ACCOUNT: "Mr. LIMAN. Now, you also discussed the use of the residuals or profit for the contras with Admiral Poindexter, correct? "Mr. NORTH. Correct. "Mr. LIMAN. And that was before you put it in any memoranda? "Mr. NORTH. Yes, I--and I don't recall specifically on this case--but my normal modus operandi on making a proposal such as that would be to go over and sit down with the Admiral and talk to him. ". . . . "Mr. LIMAN. A cautious man? "Mr. NORTH. I think so. "Mr. LIMAN. A man who is prudent, man who plays by the book? "Mr. NORTH. My sense is that he is exactly that, and let me just make one personal observation . . . . ". . . [T]hat is an Admiral I would follow up any hill anywhere, and I really mean that, because of think he also saw the necessity of taking risks and he was willing to do so himself, and he placed himself in jeopardy, and he was the kind of person who recognized the risks, weighed the benefits, and made decisions.	DIVERSION: AUTHORIZATION, AND POINDEXTER'S AWARENESS OF PROFITS AND RISKS NORTH ACCOUNT: See col. 2.

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		"Mr. LIMAN. Did he discuss the risks of using the funds for the contras with you? "Mr. NORTH. Yes. "Mr. LIMAN. What did he say? "Mr. NORTH. 'This had better never come out.' And I took steps to ensure that it didn't, and they failed. "Mr. LIMAN. And did he discuss that with you when you first raised it, 'This had better not come out'? "Mr. NORTH. I don't recall that specific discussion them. We certainly had it later. "Mr. LIMAN. At the time that you first briefed him on it, did you discuss how much money could be generated for the contras if the 4,000 TOWs were sold? "Mr. NORTH. Oh, I think I did. I think I was probably always too enthusiastic in my projections. In the document that we now have shown the world, I anticipated a residual that was in excess of what was realistic. "Mr. LIMAN. . . . [D]o you recall how long after you first told him about this orally that he got back to you? "Mr. NORTH. No, I don't. I guess it was a matter of weeks--or days or weeks certainly, because by February, we did it." (North Testim., JHICI, 7/10/87, at 47-49.)	
86/00/02-780 SOMETIME IN EARLY 1986		DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW NORTH ACCOUNT: North elaborated on who approved the	DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW NORTH ACCOUNT: See col. 2.

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		diversion: "The decision was made that residuals from those transactions would be applied to support the Nicaragua resistance with the authority that I got from my superiors, Admiral Poindexter, with the concurrence of William J. Casey and I thought at the time the President of the United States. "I later learned that the President was unaware of that aspect of these transactions." (North Testim., JHICI, 7/8/87, at 58.)	
86/00/02-790 1984-86		DIVERSION, ETC.: NORTH'S AUTHORITY TO ACT, GENERALLY, AND THE PRESIDENT'S KNOWLEDGE NORTH ACCOUNT: Mr. FOLEY. You were never under the authority of or under the direction of the Central Intelligence Agency, any of its officers or the Director? "Mr. NORTH. No, sir. "Mr. FOLEY. But sometimes you took discussions with Mr. Casey to Mr. McFarlane and recommended policies to him that had been suggested out of your conversations with Mr. Casey? "Mr. NORTH. I did, and with Admiral Poindexter. "Mr. FOLEY. . . . [D]id you always await their approval before you undertook such actions? "Mr. NORTH. It was certainly my recollection that I did, yes, sir. "Mr. FOLEY. Sometimes, however, you acted on the basis of not receiving the disapproval; isn't that correct?	DIVERSION, ETC.: NORTH'S AUTHORITY TO ACT, GENERALLY, AND THE PRESIDENT'S KNOWLEDGE NORTH ACCOUNT: See col. 2.

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		"Mr. NORTH. The expression that we used, Congressman Foley, was, 'Unless otherwise directed I will proceed as follows,' and I did so. "Mr. FOLEY. And there were whatever time lapses you considered to be appropriate before proceeding; is that correct? "Mr. NORTH. Yes, sir. "Mr. FOLEY. In any of these activities that we have discussed, the establishment of the accounts or the solicitations, the development of the resupply activities, the providing of arms to the contras, did you ever have any direct confirmation from the President that it was his intention you carry out these activities? "Mr. NORTH. I did not. "Mr. FOLEY. So as far as you know, the responsibility for discussing these matters with the President, obtaining his authority, w[as] on the shoulders of Mr. McFarlane and Vice Admiral Poindexter; is that correct? "Mr. NORTH. Yes. "Mr. FOLEY. And you believed that they had indeed obtained that authority? "Mr. NORTH. For those issues which would have required a presidential decision, yes, sir." (North Testim., JHICI, 7/13/87, at 132-33.)	
86/00/02-810 DURING 1986		DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW NORTH ACCOUNT: North testifed on who authorized the diversion: "I never personally discussed the use of the	DIVERSION: AUTHORIZATION, AND WHETHER THE PRESIDENT KNEW NORTH ACCOUNT: See col. 2.

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		residuals or profits from the sale of United States weapons to Iran for the purpose of supporting the Nicaraguan resistance with the President. "I never raised it with him and he never raised it with me during my tenure at the National Security Council staff. Throughout the conduct of my entire tenure at the National Security Council, I assumed that the President was aware of what I was doing and had, through my superiors, approved it. "I sought approval of my superiors for every one of my actions, and it is well documented. "I assumed when I had approval to proceed from either Judge Clark, Bud McFarlane, or Admiral Poindexter, that they had, indeed, solicited and obtained the approval of the President. "To my recollection, Admiral Poindexter never told me that he met with the President on the issue of using residuals from the Iranian sales to support the Nicaraguan resistance or that he discussed the residuals or profits for use by the contras with the President, or that he got the President's specific approval, nor did he tell me that the President had approved such a transaction. "But again, I wish to reiterate that throughout, I believe [sic] that the President had indeed authorized such activity. No other person with whom I was in contact with during my tenure at the White House told me that he or she ever discussed the issue of the residuals or profits with the President.	

"In late November, two other things occurred which relate to this issue.

"On or about Friday, November 21, I [a]sked Admiral Poindexter directly, 'Does the President know?' He told me he did not.

"And on November 25, the day I was reassigned back to the United States Marine Corps for service, the President of the United States called me. In the course of that call, the President said to me, words to the effect that, 'I just didn't know.'

"Those are the facts as I know them, Mr. Nields. I was glad that when you introduced this, you said that you wanted to hear the truth. I came here to tell you the truth, the good, the bad, and the ugly.

"I am here to tell it all -- pleasant and unpleasant, and I am here to accept responsibility for that which I did.

"I will not accept responsibility for that which I did not do."
(North Testim., JHICI, 7/7/87, at 24-25. See id., 7/7/87, at 26 [North: "I had the approval of my superiors as for all other things that I did, Mr. Nields."], 54 ["My recollection is that the three transactions that I supervised, coordinated, managed were all approved by Admiral Poindexter. I assumed that Admiral Poindexter had solicited and obtained the consent of the President."]. See also id., 7/13/87, at 144 [North thought President had approved of diversion].)

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LONG-FORM VERSION

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DURING 1986	POINDEXTER ACCOUNT: "Mr. LEON. . . [D]id you ever give[ ]Colonel North an order at any time that he served under you that you believed to be an unlawful order? "Mr. POINDEXTER. I did not. "Mr. LEON. Did you ever give Colonel North an order that he came back and challenged because he believed it might be unlawful? "Mr. POINDEXTER. No. ". . . . "Mr. LEON. Before you sent Colonel North out to work on this residual transfer of funds, did you have any doubt in your mind that that was something that was lawful? "Mr. POINDEXTER. There was no doubt in my mind but what it was lawful. "Mr. LEON. Was it ever questioned? "Mr. POINDEXTER. Never questioned. "Mr. LEON. When you served, as you still do, under the President of the United States as Commander In Chief, did he ever ask you to give what you believed to be an unlawful order to anybody? "Mr. POINDEXTER. Never. "Mr. LEON. Do you have any reason to think he would ever suggest or tolerate such a thing? "Mr. POINDEXTER. None whatsoever. "Mr. LEON. Did you ever have an occasion to question the legality of any order that was given to you by him? "Mr. POINDEXTER. No occasion." (Poindexter Testim., JHICI, 7/17/87, at 100-02.)	POINDEXTER ACCOUNT: See col. 1.	POINDEXTER ACCOUNT: See col. 1.

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86/00/02-950 DURING 1986		DIVERSION: AUTHORIZATION, AND WHETHER NORTH TOLD THE PRESIDENT NORTH ACCOUNT: "Mr. LIMAN. Now, Colonel, did you also participate in a number of briefings of the President on the Iran initative? "Mr. NORTH. I'm sure that I did. I wouldn't care to characterize how many it was, but I met with the President a little bit more often than some people say, less than others. "Mr. LIMAN. How many times would you approximate that you met with him in 1986 to discuss the Iran initiative? "Mr. NORTH. At least three. "Mr. LIMAN. And is it fair to say that at none of those meetings was there any discussion of the use of the proceeds for the contras? "Mr. NORTH. I do not recall ever discussing with the President the use of the residuals to support the Nicaraguan Freedom Fighters." (North Testim., JHICI, 7/10/87, at 72-73. [See generally id., 7/13/87, at 149 [North: "I never made any surreptitious visits to the President, sir."].)	DIVERSION: AUTHORIZATION, AND WHETHER NORTH TOLD THE PRESIDENT NORTH ACCOUNT: North took part in Presidential briefings on the Iran Initiative. See col. 2.
86/00/02-955 DURING 1986		DIVERSION: WHETHER NORTH TOLD THE PRESIDENT POINDEXTER ACCOUNT: "Mr. LEON. . . . Do you have any knowledge or information or any basis to believe that Colonel North did tell the President about the diversion? "Mr. POINDEXTER. I have absolutely no reason to believe that he did.	DIVERSION: WHETHER NORTH TOLD THE PRESIDENT POINDEXTER ACCOUNT: See col. 2.

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		"Mr. LEON. Do you have any knowledge-- "Mr. POINDEXTER. I would be almost willing to say absolutely he did not. There was never an opportunity, and furthermore, Colonel North would not have done that without talking to me about it. "Mr. LEON. Do you have any knowledge or reason to think that the President learned about the diversion from some other source other than Colonel North or youself, as you have testified? "Mr. POINDEXTER. I don't have any reason to believe that." (Poindexter Testim., JHICI, 7/17/87, at 83-84.)	
86/00/02-965 DURING 1986		DIVERSION: WHO KNEW AND WHO FOUND OUT POINDEXTER ACCOUNT: "Mr. NUNN. Colonel North has testified repeatedly to this committee that he always assumed that you reported the diversion plan to the President and the President had approved it. Did that testimony surprise you, that he was operating under that assumption? "Mr. POINDEXTER. As I have testified, I did not tell Colonel North whether I was going to talk to the President or not. Frankly, I didn't think that it was important for him to know who else knew about it, because I didn't want him to talk to anybody but me about it in the government. And so I am not surprised about that. He would have probably made that assumption. "Mr. NUNN. Well, Admiral, you say that you didn't want Colonel North talking to anyone but you about it. Would it not have been wise at that stage to tell him that you were not going to tell	DIVERSION: WHO KNEW AND WHO FOUND OUT POINDEXTER ACCOUNT: See col. 2.

the President of the United States about the diversion?

"Mr. POINDEXTER. No, I don't think so, Senator. My whole concept of a--of keeping a secret is to keep things highly compartmented; and I was his lawful superior. He understood very well the military chain of command, and he felt that the actions he was recommending were lawful or he wouldn't have recommended them.

"Mr. NUNN. You didn't think Colonel North would tell anyone, including the President of the United States, without your permission?

"Mr. POINDEXTER. That is correct.

"Mr. NUNN. Now, did you hear the testimony where Colonel North told Bud McFarlane [see 86/05/28-500] without your permission?

"Mr. POINDEXTER. That is correct. And I, as I have testified I think in depositions, I was surprised at that.

"Mr. NUNN. So you were surprised that he did tell Robert McFarlane about the diversion without your permission?

"Mr. POINDEXTER. That is correct. I was surprised.

"Mr. NUNN. Did you hear his testimony that he told Bill Casey [see 86/00/03-500; see also 86/00/03-700] without your permission?

"Mr. POINDEXTER. I heard that testimony.

"Mr. NUNN. Well, it seems to me then that you misjudged Colonel North, did you not, and his ability or willingness to keep this very close hold, comparmentalized in your words?

"Mr. POINDEXTER. Well, I made a mistake in that assessment, obviously.

"Mr. NUNN. Wasn't it a very serious mistake, Admiral, not to have confided to Colonel North that the President was not going to be told back in February of 1986?

"Mr. POINDEXTER. No, I don't think so. I don't see that he had a need to know.

"Mr. NUNN. Even when he was with the President in most of the meetings and could very well have assumed the President--did assume the President knew and could have blurted out something that would have given the President the information that you were trying to protect him from?

"Mr. POINDEXTER. No. Colonel North didn't speak out in these meetings unless he was asked to, and I would usually nod to him if I wanted--

"Mr. NUNN. So you thought you had Colonel North under complete control as far as not telling anyone?

"Mr. POINDEXTER. I felt that he understood what I wanted and that he would carry that out.

"Mr. NUNN. Looking back on it, Admiral, wouldn't it have been much more protective of the President giving him much better deniability if Colonel North had been in on the plan not to tell him?

"Mr. POINDEXTER. I don't know. I never analyzed it quite the way that you are right now." (Poindexter Testim., JHICI, 7/17/87, at 111-14.)

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86/00/02-995 DURING 1986		DIVERSION: WHETHER THE VICE PRESIDENT KNEW POINDEXTER DEPOSITION ACCOUNT	DIVERSION: WHETHER THE VICE PRESIDENT KNEW POINDEXTER DEPOSITION ACCOUNT:

DATE	GENERAL	CONTRAS	IRAN
		"Q. Do you have any knowledge as to whether the Vice President knew anything about the diversion prior to that Monday [11/24/86] or Tuesday [11/25/86]? "A. I have no reason to believe that he did. "Q. Or his National Security Advisor? "A. Not to my knowledge." (Poindexter, Senate Dep., 7/2/87, at 22.)	See col. 2.
86/00/03-100 EARLY 1986	OTHER DIVERSIONS: AUTHORIZATION, AND DIVERSION MEMOS NORTH ACCOUNT: "Mr. SARBANES. . . . When you purchased the Erria [see 86/05/15-390, -400], purchased the radios for the Caribbean countries [see 86/05/30-100], under oath to [sic (underwrote the?)] DEA agents (see 86/05/25-020], all of which have been publicly stated on the record, I am not going to get to the other activities that were engaged in that were discussed in closed session, on whose authority were those things done? "Mr. NORTH. Well, the authority of the superiors to whom I sent the memoranda asking for permission to do them. "Mr. SARBANES. And who would that be? "Mr. NORTH. Well, as you have seen from the memoranda that I sent forward, in cases where I, in my humble opinion, deemed it appropriate that the President be apprised and his authority solicited, I believed I had those authorities. In other cases, I am not at all certain that it requires the President to make those kinds of decisions.		OTHER DIVERSIONS NORTH ACCOUNT: See col. 1.

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	"In any case, I sent the memoranda up the line, talked to Director Casey about it, and carried out what we all believed to be lawful activities, undertaken by foreign entities in pursuit of the national security goals of the country. ". . . . "Mr. SARBANES. From whom would you have to get the green light in order to make the request for the direction, I take it, to Secord to move ahead? "Mr. NORTH. Well, as I have testified, Senator, I talked to Director Casey, and I talked to, before he departed, . . . Mr. McFarlane, I talked to Admiral Poindexter. And I wrote memoranda to that effect which you have in stacks." (North Tesim., JHICI, 7/13/87, at 116-17.)		
86/00/03-170 SOMETIME IN 1986	OTHER DIVERSIONS NORTH ACCOUNT: "Mr. NORTH. . . . Director Casey and I talked at length on a variety of occasions about the use of those moneys to support other operations besides the Nicaraguan operation . . . . "We always assumed, not just Director Casey and I, but all those of us who worked within the Government on this problem of democracy in Central America, that there would come a time again, as indeed it did, where the Congress would make available the moneys necessary to support the Nicaraguan freedom fighters. "And at various times, he and I talked about		OTHER DIVERSIONS NORTH ACCOUNT: See col. 1.

the fact that it might be necessary at some point in the future to have something, as he would put it, to pull off the shelf and to help support other activities like that.

"And none of those aside from the ones that we talked about in terms of cooperation with Israel, the ones I referred to in my notes as TA-1, 2 and 3, or TH-1, 2 and 3, . . . he was looking forward to the possibility of needing to support other activities beyond that, and that is why I am not exactly certain as to what perhaps was intended beyond the use of those moneys for support for the Nicaraguan resistance and the other purposes that I have described to you earlier, in that I had, I think, communicated that to General Secord and he did prepare a layout which showed how others of those commercial entities could be used to support acitivities in other places besides Central America and besides the U.S.-Israeli operations, besides the hostage recovery operations.

"None of those plans [was] ever put to fruition before all of this was terminated, but we did talk, he and I, about that and I may have mentioned it at some point to Admiral Poindexter, although certainly not in the same detail that Director Casey and I talked about it.

"It is possible, although I don't recall it, that I may have talked to Mr. McFarlane about it.

"Mr. NIELDS. When you say about it, it is use of funds for some other projects besides the contras?

"Mr. NORTH. Yes. I am certain that I talked to Admiral Poindexter about the Israeli projects,

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	the ones that are abbreviated with a TA or TH in the records that I provided to the committee." (North Testim., JHICI, 7/8/87, at 126-27.)		
86/00/03-500 SOMETIME IN JANUARY OR FEBRUARY 1986		DIVERSION: CASEY'S ENTHUSIASM NORTH ACCOUNT: North testified on Casey's knowledge of the diversion: "Mr. NIELDS. When did Director Casey first learn of it? "Mr. NORTH. Actually my recollection is Director Casey learned about it before the fact. Since I am confessing to things, I may have raised it with him before I raised it with Admiral Poindexter, probably when I returned from the February or from the January discussions. "Mr. NIELDS. You are referring now to the trip during which you had the discussion with Mr. Ghorbanifar in the bathroom? "Mr. NORTH. Yes. I don't recall raising the bathroom specifically with the Director, but I do recall talking with the Director and I don't remember if it was before or after I talked to Admiral Poindexter about it. "I was not the only one who was enthusiastic about this idea and I--Director Casey used several words to describe how he felt about it, all of which were effusive. "He referred to it as the ultimate irony, the ultimate covert operation kind of thing and was very enthusiastic about it. "He also recognized that there were potential liabilities, and that there was risk involved. I	DIVERSION: CASEY'S ENTHUSIASM NORTH ACCOUNT: See col. 2.

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		believe that he was accurate given what has now happened. "Mr. NIELDS. What kind of risks did he identify to you? "Mr. NORTH. This very political risk that we see being portrayed out here now, that it could indeed be dangerous or not dangerous so much as politically damaging. "Mr. NIELDS. Do you have any reason to believe that Director Casey, given the political risk, ever discussed the matter with the President? "Mr. NORTH. I have no reason to believe that he did because he never addressed that to me. I never--as I indicated yesterday, no one ever told me that they had discussed it with the President." (North Testim., JHICI, 7/8/87, at 124-25. See id., 7/8/87, at 127 [Mr. Nields: "Did you ever tell Director Casey that funds had actually been used to support the contras, that is funds arising out of these Iranian arms sales?" Mr. North: "Oh, yes."]. See also 86/11/23-430 [Meese response to North on Casey's enthusiasm about diversion].)	
86/00/03-505 DURING 1986		DIVERSION MEMOS POINDEXTER ACCOUNT: "Mr. RODINO. Admiral, we [k]now that Colonel North has come before this committee and stated that he was ready to be the fall guy, go quietly into the night, and I think this was his attitude until he found that he was going to be the subject of a criminal investigation, and then, of course,	DIVERSION MEMOS POINDEXTER ACCOUNT: See col. 2.

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		I think Colonel North may have had a change of mind, but nonetheless, Colonel North stated unequivocally that he never undertook any single action which he was not authorized to undertake, and that as a matter of fact he had assumed that the President knew of all that he was doing concerning the exchange of weapons and that his supervisors knew. "And, as a matter of fact, he had sent five memos up the line, according to his testimony, and I understand that, of course, you don't recall having seen at least four of those memos. "Mr. POINDEXTER. I, frankly, don't think those existed, Mr. Rodino. I don't know what Colonel North was thinking about, but I simply don't have any knowledge about any except the one." (Poindexter Testim., JHICI, 7/20/87, at 147.)	
86/00/03-510 DURING 1986		DIVERSION: CASEY'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. LIMAN. Did you ever discuss with the DCI, Mr. Casey the diversion? "Mr. POINDEXTER. I did not. "Mr. LIMAN. Why not? "Mr. POINDEXTER. Because I wanted to keep the issue highly compartmented. As I said and have testified before this morning, to my knowledge, Colonel North and I were the only ones that knew about it. "Mr. Casey had to come up to the Hill to testify before the Intelligence Committees, and I did not want him to have to be evasive in	DIVERSION: CASEY'S KNOWLEDGE POINDEXTER ACCOUNT: See col. 2.

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		answering questions on this particular area of how we were supporting the contras. "It was obvious, I think, to all Members of Congress that the contras were being supported, and I wanted to protect how they were being supported. "Mr. LIMAN. Did Colonel North ever tell you that he had discussed the diversion with Mr. Casey? "Mr. POINDEXTER. Not to my recollection. I was operating under the assumption that I have stated that he and I were the only two in Government--of course, I knew that General Secord obviously knew about it, but in Government, to my knowledge, Colonel North and I were the only ones that knew about it." (Poindexter Testim., JHICI, 7/15/87, at 107-08.)	
86/00/03-520 JANUARY OR FEBRUARY 1986		DIVERSION: CASEY'S ENTHUSIASM NORTH ACCOUNT: "Mr. LIMAN. Now, you have already testified that Casey had approved this [diversion], Mr. Casey? ". . . . "Mr. NORTH. I had consulted very carefully with Director Casey, and he--I don't know if approved is the right word. Director Casey was very enthusiastic about the whole program. "Mr. LIMAN. Now-- "Mr. NORTH. And advocated it." (North Testim., JHICI, 7/9/87, at 147.)	DIVERSION: CASEY'S ENTHUSIASM NORTH ACCOUNT: See col. 2.
86/00/03-530		DIVERSION: CASEY'S ENTHUSIASM	DIVERSION: CASEY'S ENTHUSIASM

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DURING 1986		NORTH ACCOUNT: "Mr. LIMAN. When you briefed [Casey] on what you were doing to keep the contras alive, did he express his approval to you? "Mr. NORTH. He never once, that I can recall, in any way disagreed with any of the things that I was doing. In fact, he gave me a number of ideas how they might be done better, and I don't recall him ever--I don't recall that he ever said don't do something you are doing. He often would suggest ways to do it better. ". . . . "Mr. LIMAN. Did you talk to Director Casey about the financial needs of the contras? "Mr. NORTH. He probably knew more about it than I did, because he was getting the raw intelligence in. "Yes, we did. "Mr. LIMAN. And you told Director Casey about the fact that the Ayatollah would . . . help pay[] for those needs? "Mr. NORTH. Yes, I did. "Mr. LIMAN. That was a matter [ ] that had sort of a double irony, didn't it, in this sense, Colonel, that the Iranian Government had been providing arms to the Sandinistas, right? "Mr. NORTH. You've been reading my papers, haven't you? "Mr. LIMAN. Well-- "Mr. NORTH. That is right. They tried. And they also provided oil and credit. As I recall, it was about $100 million worth over several years.	NORTH ACCOUNT: See col. 2.

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		"Mr. LIMAN. And indeed, one of the points that the President approved, in the terms of reference for Mr. McFarlane to talk to the Iranian Government representatives about, was that they should not give this support to the Sandinistas, right? "Mr. NORTH. That is correct. "Mr. LIMAN. And here you, a staff member of the NSC, succeeded in sort of reversing it all, getting the money for the contras, correct? "Mr. NORTH. We did. "Mr. LIMAN. And that was something that Director Casey must have admired very much? "Mr. NORTH. He did. ". . . . "Mr. LIMAN. Did you discuss with Director Casey that this use of the proceeds was a matter that could be a political bomb shell? "Mr. NORTH. I think we probably did at a number of points. Certainly we discussed that very clearly toward the end of my tenure. . . ." (North Testim., JHICI, 7/9/87, at 159-62.)	
86/00/03-550 JANUARY - NOVEMBER 1986		DIVERSION: CASEY'S ENTHUSIASM NORTH ACCOUNT: "Mr. LIMAN. You testified about what you said to Casey on this, which was that, you know, you thought it was a neat idea, and that he was enthusiastic, he said it was the ultimate irony, the ultimate covert operation, words to that effect. "You recall that testimony? "Mr. NORTH. I do.	DIVERSION: CASEY'S ENTHUSIASM NORTH ACCOUNT: See col. 2.

Mr. LIMAN. And you said that he recognized the political risks that would accrue if this was exposed.

"Mr. NORTH. Well, I'm not sure--when I said that, I don't think I was referring specifically to the linkage between supporting the Nicaraguan Freedom Fighters and the support that was being derived as a consequence of the sales.

"I think Director Casey throughout had a recognition of political risk.

"Mr. LIMAN. But was it--

"Mr. NORTH. The things we talked about yesterday on Boland, on dealing straightforward with an Iranian in an effort to get the hostages back, and in an effort to even open up a relationship with the Iranians--I think he saw political risk in all of these.

"Mr. LIMAN. Did he discuss with you the political risk of using the surplus profits from this transaction for covert operations?

". . . .

"Mr. NORTH. Specifically I don't believe so, until well into the activity, like in October when Furmark showed up.

"Mr. LIMAN. Did he ever recommend to you that you make sure that you get the approval, through channels, of the President of the United States?

"Mr. NORTH. I recall no such discussion." (North Testim., JHICI, 7/10/87, at 46-47.)

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86/00/03-560 DURING 1986		DIVERSION, THE FULL-SERVICE COVERT OPERATION, AND CIA GENERAL PRACTICES GEORGE ACCOUNT, Part 1:	DIVERSION, THE FULL-SREVICE COVERT OPERATION, AND CIA GENERAL PRACTICES GEORGE ACCOUNT:

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		"Mr. Cohen. In view of the kind of creativity taking place [redacted] what about the diversion itself? What is wrong with a plan that was conceived by either Colonel North, the Israelis, Ghorbanifar, maybe Secord of selling the weapons once the decision was made by the President in January 17, 1986, selling weapons, increasing the price, have enough left over after Ghorbanifar got his substantial cut, to put money to the other major program that the NSC was charged with running? "Mr. George. You do not sell United States government equipment to make a profit, to engage in international activities that are neither authorized nor appropriated by the United States Congress. I don't want to sound like a Miskey [sic] Mouse, but -- "Mr. Cohen. You said that so quickly that I am wondering. Is that pretty standard faith of the CIA you would never allow this to take place to sell U.S. property at a profit-making price so you could use it for another purpose? "Mr. George. I'm not sure that we in the CIA without proper authorization would not sell U.S. government property for a profit. That's a very large subject, and I'd be here long. "Mr. Cohen. Explain the difference to me of what you just said. I asked you what was wrong with it? You gave an answer. "Mr. George. What was wrong with this -- this is -- "Mr. Cohen. I just want clarification. "Mr. George. This is Clair George's half	See col. 2.

minute, personal opinion.

"Mr. Cohen. You were the one in charge of covert operations.

"Mr. George. We are engaged in covert operations with the authorization and approval and appropriation of funds of the United States Congress.

"We obviously conduct many -- and you and I have been in many roundabouts where we didn't get the proper approval, where we didn't do what we said we did, but we do our best. The activity that we are looking into today was neither authorized nor appropriated. It contained private funds. They were spent for activities that the Congress was not engaged in and I think it might have been for activities that were not properly -- five-year hearings have proven to me -- were not properly vetted through the Senior Executive Branch of the Executive of the United States.

"At the bottom of it is you cannot take United States weapons and just go out and sell them for a profit and use the profits as you see fit.

"Mr. Cohen. What I am saying is that is pretty well accepted at the Agency.

"Mr. George. That's the gospel. That's the way you and I worked together for six years. I can't work any other way. I know I screw it up now and then, but I do my best to make it work that way.

"Mr. Cohen. The point is it's a matter of doctrine at the Agency: you simple to [sic (simply do)] not do this?

"Mr. George. With U.S. funds. I don't spend

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		U.S. funds or use U.S. property without proper authorization. "Mr. Cohen. If you sell U.S. property at a profit, that money belongs to the United States government. [Redacted.] ["Mr. George.] [Redacted.] You know that. You have allowed me to do that. I do that." (George Testim., JHICI, 8/6/87, at 50-52.)	
86/00/03-561 DURING 1986		DIVERSION, THE FULL-SERVICE COVERT OPERATION, AND CIA GENERAL PRACTICES GEORGE ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. Cohen. The second tenet I assume at the Agency is you never allow the mixing of two covert activities so that one ends up funding the other[.] "Mr. George. That is illegal. It is not illegal. It's against the rules of the plans. [Sic.] "[Redacted] in the comptroller's office runs [redacted] program. He runs [redacted] program. We don't yank it out of [redacted] and ship it to [redacted.] "Mr. Cohen. Bec[au]se one of the dangers inherent in such a combination of the two covert actions, in using one covert action to fund another, is that inevitably you have a conflict of interest arise, do you not? "Mr. George. Well, that was not where -- I was looking at it more that that would be improper. You have authorized me one million dollars to [redacted.] I take $50,000 and take it	DIVERSION, THE FULL-SERVICE COVERT OPERATION, AND CIA GENERAL PRACTICES GEORGE ACCOUNT: See col. 2.

off to [redacted] and [redacted.] I have not done what I have been authorized to do either by my own leadership or the authorizing, appropriating process of the United States Congress.

"Mr. Cohen. . . . In any event, it is pretty well established at the agency that your level, and I would assume all the way through the director, you simply do not conduct covert actions in this fashion. You do not allow the inflation of the price of the sale of weapons to then be used for a purpose not otherwise authorized?

"Mr. George. Correct.

"Mr. Cohen. Can you conceive of why the director would have agreed to such a proposal? If he did?

"Mr. George. Did he?

"Mr. Cohen. I am asking you whether or not in your experience in dealing with Director Casey he would have approved of such a diversion of the proceeds for an off-the-shelf, independent, stand-alone fund to be used for other covert activities in the Middle East or to use a portion of the funds for the Nicaraguan resistance?

"Mr. George. The off-the-shelf, stand-alone, run-yourself spy service, which I had never heard of until, thanks to you, I heard of it as I understood it was sort of a self-generating private business. Hopefully, not making its money on arms. All of those things, to answer your question, sir, my experience with Bill Casey was absolute. He would never have approved it." (George Testim., JHICI, 8/6/87, at 52-54.)

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86/00/03-570 DURING 1986		DIVERSION: CASEY'S KNOWLEDGE REGAN ACCOUNT: "Mr. BROOKS. Colonel North . . . has said that CIA Director Casey was aware of the diversion of arms sales funds to the contras and other covert activities during '86, but according to White House notes, according to Attorney General Meese, Casey denied any knowledge of the diversion as late as November 25th of 1986. "Do you believe that Director Casey had knowledge of the diversion prior to November of '86? "Mr. REGAN. I honestly cannot answer that question for you, Mr. Brooks. "Mr. Casey never told me of any knowledge on his part, nor did he tell me that he didn't have any knowledge of it. So--because I never discussed it with him. "The only time we talked about diversion on the night of February--not February--November 24, he did not mention that he had any previous knowledge." (Regan Testim., JHICI, 7/30/87, at 149.)	DIVERSION: CASEY'S KNOWLEDGE REGAN ACCOUNT: See col. 2.
86/00/03-690 DURING 1986		DIVERSION: CASEY'S KNOWLEDGE POINDEXTER DEPOSITION ACCOUNT: "Q. Did you discuss it [sc. diversion] with Casey? "A. I did not discuss it with Casey. "Q. Why was that? "A. Frankly, I did not want to discuss that or directly discuss with him Colonel North's	DIVERSION: CASEY'S KNOWLEDGE POINDEXTER DEPOSITION ACCOUNT: See col. 2.

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		activities with regard to supporting the contras. "Q. Why? "A. Because I didn't want to -- Director Casey -- I'll be very frank here -- as well as the other cabinet officers, having to testify on the Hill, I did not want to put him or anybody else in a position of being evasive in terms of answering questions. "Q. Do you remember any instance where Director Casey told you that Oliver North was indiscre[et] in front of [redacted] and had talked about where you were getting the money for the contras? [See 84/11/07-300.] "A. That rings a bell. "Q. I'll show you a document. "A. Yes. I forgot all about that. I'm trying to remember -- "Q. And you reported it to Mr. McFarlane? "A. Yes. There is a vague recollection of -- but I can't remember what the circumstances were." (Poindexter, Senate Dep., 5/2/87, at 172-73. See JHICI Ex. 31 [= Exx. JMP 3, OLN 255; North memo to McFarlane, "Clarifying Who Said What to Whom," 11/7/84; see entries starting at 84/11/07-200].)	
86/00/03-700 DURING 1986		DIVERSION: WHETHER POINDEXTER KNEW THAT CASEY KNEW NORTH ACCOUNT: "Mr. NUNN. In other words, we know Admiral Poindexter knew. We know Director Casey knew by your testimony. "The question I have, did Admiral Poindexter, was he aware that Director Casey knew about the	DIVERSION: WHETHER POINDEXTER KNEW THAT CASEY KNEW NORTH ACCOUNT: See col. 2.

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		residual funds? "Mr. NORTH. I believe that he did know that he--he being Admiral Poindexter--knew that I had talked at length with Director Casey about it, although I don't recall the specific discussion with the Admiral. "Mr. NUNN. You think he knew but you don't recall a specific discussion? "Mr. NORTH. No, sir, I do not. "Mr. NUNN. Your general impression, your best recollection is that he would have known? "Mr. NORTH. Yes, sir. But I would have told him that I told--and talked to Director Casey at length about it. "Mr. NUNN. And, of course, Director Casey knew that Admiral Poindexter knew? "Mr. NORTH. Yes, sir, he did." (North Testm., JHICI, 7/14/87, at 89-90.)	
86/00/03-710 DURING 1986		DIVERSION: WHETHER POINDEXTER KNEW THAT CASEY KNEW POINDEXTER ACCOUNT: "Mr. LIMAN. Did you ever discuss with the DCI, Mr. Casey, the diversion? "Mr. POINDEXTER. I did not. "Mr. LIMAN. Why not? "Mr. POINDEXTER. Because I wanted to keep the issue highly compartmented. As I said and have testified before this morning, to my knowledge, Colonel North and I were the only ones that knew about it. ". . . . "Mr. LIMAN. Did Colonel North ever tell you	DIVERSION: WHETHER POINDEXTER KNEW THAT CASEY KNEW POINDEXTER ACCOUNT: See col. 2.

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		that he had discussed the diversion with Mr. Casey? "Mr. POINDEXTER. Not to my recollection. . . ." (Poindexter Testim., JHICI, 7/15/87, at 107-08. See id., 7/17/87, at 83 [Poindexter: "It appears now after the fact that both Bill and I knew about the diversion, but I did not know that he knew and we ever [sic] discussed it."].)	
86/00/03-717 1984-86	WHETHER CASEY KNEW ABOUT NORTH'S ACTIVITIES: "DO I LOOK LIKE A MAN WITH CANCER?" C/CATF ACCOUNT: "Mr. Nunn. Do you know Colonel North? "[C/CATF.] Yes. "Mr. Nunn. Did you know him pretty well? "[C/CATF.] I would say I knew him very well as a professional acquaintance. I didn't know him well as a social acquaintance. "Mr. Nunn. Did you hear his testimony where he said Director Casey knew and they talked about it many times? "[C/CATF.] I didn't see it all, I saw snatches of it, and I read most of his deposition [sic (hearing testimony?)]. "Mr. Nunn. I would like to ask you whether you believe that testimony. "[C/CATF.] Sir, with your indulgence, I don't want to engage in opinions on it unless you really, -- I don't know what to believe. I can tell you another vignette which I will, that will give you another side of Director Casey. At one point in time, I was in his office and he said,	WHETHER CASEY KNEW ABOUT NORTH'S ACTIVITIES C/CATF ACCOUNT: See col. 1.	WHETHER CASEY KNEW ABOUT NORTH'S ACTIVITIES C/CATF ACCOUNT: See col. 1.

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	'You know, [Redacted,]' he said, 'so and so said that I had terminal cancer. Isn't that preposterous? Isn't that the most ludicrous thing you heard? Do I look like a man with cancer?' I said, 'No, you don't.' Well, he did. And I had no idea. So I mean the man -- I just don't know what to make of it. It is possible he did, it is possible he didn't. I walked out of that office that day thinking he didn't have cancer and he was going up to New York, I guess, for treatment of prostate cancer sort of on a recurring basis and I didn't have a clue about it. "Mr. Nunn. So at the time he told you that[,] he knew he had cancer? "[C/CATF.] I would guess he did from what I understand. I don't know all the details but that is what I concluded. "Mr. Nunn. So you wouldn't know who[m] to bel[ie]ve in that situation knowing both Casey and North? "[C/CATF.] I wouldn't want to bet on it. "Mr. Cohen. If the Senator will yield. You talk about playing with words. He did say terminal cancer didn't he? "[C/CATF.] Yes. I wouldn't want to bet on it one way or another. I wouldn't want to speculate on it. I will say this from where I stand, I think there was a lot of truth in Colonel North's testimony. I never knew Colonel North to be an absolute liar, but I never took anything he said at face value because I knew that he was bombastic and embellished the record, and threw curves, speed balls and spit balls to get what he wanted		

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	and I knew it and I knew it well. "Mr. Nunn. Have you ever known anyone you would call an absolute liar? "[C/CATF.] No, not absolute. I do know that I have seen, I have seen I guess the way to put it, I have seen Colonel North play fast and lo[o]se with the facts. And I think the record will substantiate that. But, on the other hand, I believe that there is a, from where I sit, from the glimpses I saw of this thing as the train windows went by, there was a lot of fact in what he said too. "Mr. Nunn. A lot of what? "[C/CATF.] Fact. "Mr. Nunn. Did Colonel North ever give you false information? "[C/CATF.] I would assume he did. "Mr. Nunn. Can you tell us what that was? Do you recall? Do you know specific instances? "[C/CATF.] No. Let -- the specifics aren't in my mind where he did give me false information but I know there were lots of times I suspected he was putting the spin on something that wasn't exactly the way it was. An attempt to influence the way things come out. He dropped names a lot." (C/CATF Testim., JHICI, 8/5/87, at 204-08.)		
86/00/03-720 DURING 1986		DIVERSION: CASEY'S KNOWLEDGE AND WHETHER HE DISCUSSED IT WITH THE PRESIDENT POINDEXTER ACCOUNT: "Mr. NUNN. Admiral, you and I had a dialogue at the end of last week about Director Casey and whether indeed he had seen any of those memoranda	DIVERSION: CASEY'S KNOWLEDGE AND WHETHER HE DISCUSSED IT WITH THE PRESIDENT POINDEXTER ACCOUNT: See col. 2.

that Colonel North testified he wrote on the diversion and you testified that you did not remember seeing those memoranda.

"Mr. BECKLER. Could we have a reference to a transcript? [See 86/00/01-644.]

"Mr. NUNN. I am not going to ask you any questions that will give you any problem needing a transcript. If I do, I will be glad to get it for you.

"Mr. BECKLER. There was a reference made the other day to a fitness report. [See 86/00/04-140, 86/11/13-024.] I understood it wasn't going to cause us any problems either, but when you read the full fitness report, I think it does cause us some problems. I understand you have good intentions, but I have my eye on other balls, concerns here.

"Mr. NUNN. I haven't asked a question, but wait for the question if you would, and then if you have a problem with it, we will deal with it. I can give you a reference.

"The question I have, do you recall hearing Colonel North's testimony that he showed at least one of the diversion memos to Mr. Casey, Director Casey?

"Mr. POINDEXTER. I frankly don't recall that part of the testimony, but I will take your word for it.

"Mr. NUNN. Counsel, it is July 9th, a question from Mr. Liman to Colonel North, pages 169-170. [See 86/00/04-550.]

"Mr. Liman asked, 'Now, when you talked to the Director in October about the Furmark incident and in November, did he ever ask you what the memorandum looked like that you had sent up the line and that you either were going to take care of or had taken care of?'

"Colonel North answers: 'I don't believe so, because I think at least on one occasion I actually went over the memo at random with the Director [sic (the original North transcript reads, "the memorandum with the Director"; quoted at 86/00/04-550)].'

"Liman: 'So he knew what it looked like, that one?''

"North: 'Certainly.'

"So we have testimony that Director Casey had seen at least one of those memos.

"My question to you under that set of circumstances, if Colonel North's testimony is accurate, would you agree that it is possible Director Casey not only saw the memo, but may have shared those memos with others?

"[Counsel conferring with witness.]

"Mr. POINDEXTER. As I understood your reading of Colonel North's testimony, I believe he said that he thought. I don't take that as an absolute fact.

"Mr. NUNN. Let me read it again.

"Mr. POINDEXTER. As I have testified before, I didn't have any indication based on personal knowledge that Director Casey was aware of this operation, this part of the operation, nor aware of any memos. As I have testified yesterday, I don't think there were any other memos except the one, and I also know that I did not show that or discuss that with the President.

"Mr. NUNN. But you cannot tell us that Director Casey did not show that--

"Mr. POINDEXTER. Obviously I can't. I think it is highly unlikely.

"Mr. NUNN. You can't exclude that possibility though?

"Mr. POINDEXTER. I think it is highly unlikely.

"Mr. NUNN. Do you know whether Director Casey ever met with the President privately?

"Mr. POINDEXTER. He did infrequently, but I think it is very wrong, Senator, to draw any conclusion from this.

"Mr. NUNN. I am not drawing any conclusion. I am just asking questions.

"Mr. POINDEXTER. Well, I see the direction you are going though.

"Mr. NUNN. If you can see it, I will skip the next question and you can just give me the answer.

"Mr. POINDEXTER. I don't believe that Director Casey ever talked about this issue with the President. I think the President has been--

"Mr. NUNN. You don't believe that happened, but you can't exclude that as a possibility?

"Mr. BECKLER. Objection. We can't exclude all kinds of possibilities. But we are not here to exclude possibilities. This witness is here--ninth day--I don't know if there is going to be ten or not, we have a request for another private session on some unrelated subject--

"Mr. NUNN. You added ten more minutes a while ago voluntarily, Counsel. [See 86/10/08-535.]

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		"Mr. Chairman, may I proceed? "Chairman HAMILTON. You may proceed, Senator." (Poindexter Testim., JHICI, 7/21/87, at 67-70. Poindexter testimony following this excerpt resumes at 86/11/22-506.)	
86/00/03-770 DURING 1986		DIVERSION: LEDEEN'S KNOWLEDGE LEDEEN ACCOUNT: "Q. Did you see Meese's press conference of November 25 [1986]? "A. Yes. "Q. Was that the first that you had learned that there was a suggestion there may have been a diversion? "A. Yes. "Q. Have you spoken to Mr. Ghorbanifar since the November 25 press conference? "A. Yes. "Q. Have you spoken to him about whether or not he had any knowledge about whether there had been a diversion? "A. No. "Q. You haven't spoken to him about it at all? "A. No. "Q. Have you intentionally not spoken to him about it? "A. I don't know how to answer that question, to tell you the truth. I intend to discuss it with him at some[ ]time. The conversations we have had have not conveniently led to a discussion of that matter, but I will do it eventually."	DIVERSION: LEDEEN'S KNOWLEDGE LEDEEN ACCOUNT: See col. 2.

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		(Ledeen, House Dep., 3/11/87, at 119.)	
86/00/03-780 DURING 1986		DIVERSION: WHO KNEW, AND THE AYATOLLAH'S MONEY JOKE POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Admiral, you said before . . . that you saw this as consistent with getting money from private donors or third countries? "A. Correct. "Q. If it were from private donors, it would be from Secord? Who was it that was giving you the money? "A. From Iran? From the Iranian project? "Q. Yes. "A. Secord or whoever the private agent was. "Q. Did you think of it in terms of the fact that the Ayatollah was at least indirectly paying for the contras? "A. We thought about it that way. "Q. Who is we? "A. Colonel North and I. "Q. Did you find that ironic? "A. Yes. "Q. Was not that something that you attempted to share with the President of the United States? "A. No. "Q. You never had any temptation to say to the President that we got the Ayatollah to pay for the contras? "A. Mr. Liman, that's not my style to -- I really am a very low-profile person. I don't feel that I need a lot of acknowledgement in order to get any sort of psychic income. I knew that it --	DIVERSION: WHO KNEW, AND THE AYATOLLAH'S MONEY JOKE POINDEXTER DEPOSITION ACCOUNT: See col. 2.

"Q. I am talking about psychic income for the President, not for you.

"A. I know that. I knew it would be controversial. I thought the best way to protect the President on the issue and at the same time make possible his policy objectives was not to tell him about it. I really didn't.

"I only talked to Colonel North about -- he is the only person I have ever talked to about it until Monday the 24th of November when Ed Meese came to see me, and then on the 25th, in the meeting with the President.

"Q. You also then later talked to the FBI about it, too?

"A. No. I don't believe I did. My only contact with the FBI was they -- as I told you earlier, I had a safe out at my house and sometime -- in fact, I think it was the Friday just before I retained my attorneys. They wanted to some out, two of their agents came out to the House with one of the NSC staff administrative people to collect the contents of my safe. The only thing that was in the safe was a -- my portable computer terminal, PROF's terminal. I did not keep papers in the House.

"Q. Admiral --

"A. But I don't think I have ever said anything to the FBI about the transfer of funds." (Poindexter, Senate Dep., 5/2/87, at 160-62. For further Poindexter testimony on the Ayatollah's money joke, see 86/00/20-050.)

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DURING 1986		POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. Admiral, did you ever tell the President of the United States that Iran was giving any money to the contras? "A. I have no recollection of that. "Q. Did you ever tell any third person that you had told that to the President? "A. No. I have read the press reports. I have not knowingly told anybody since I left the White House except my attorneys and my wife. "Q. You knowingly told them about what? "A. Knowingly said that I had talked to the President. I assume you are talking about the press reports that I was going to testify that -- "Q. The press reports that said that you had talked to the President twice. "A. I don't know where that somes from. I have not told anybody that, you know. "Q. You never told anybody, including your wife, that, I take it? "A. Told -- "Mr. BECKLER: Told your wife -- "BY MR. LIMAN: "Q. Told your wife that you told the President on two occasions? "A. No. "Q. As far as you are concerned, that's a falsehood? "A. That's a falsehood. I don't want to think ill of people. But it is conceivable I said something that caused somebody to interpret something I said that way. I don't think I have	POINDEXTER DEPOSITION ACCOUNT: See col. 2.

even said that.

"Q. What could you have said that was truthful that would have led to that interpretation?

"A. I have no idea.

"Q. Did you ever say that to Admiral Mor[eau]?

"A. No. Admiral Mor[eau] was --

"Q. He died in December.

"A. Yes. But he was out of the country -- I forget when he went to Naples. It was before -- in fact, I haven't talked to Admiral Mor[eau] -- since he left the United States.

"Q. After you left office, did you have conversations with Mr. McMahon, the Staff Director of the Senate Intelligence Committee?

"A. The last time that I saw Mr. McMahon, and I think the only time --

"Mr. BECKLER: Since leaving office?

"THE WITNESS: Since leaving office -- was he attended the meeting that I had with Senator Durenberger and Senator Leahy on Friday the 21st of November.

"BY MR. LIMAN:

"Q. So the answer is you never told him anything to that effect?

"A. No.

"Q. When he was called to testify.

"A. Oh, that's right. That weekend in December. I forget.

"Q. When you were called to testify then?

"A. Right."

(Poindexter, Senate Dep., 5/2/87, at 162-64.)

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86/00/03-782 DURING 1986		DIVERSION: WHO KNEW POINDEXTER ACCOUNT: "Mr. NUNN. Admiral, turning to another subject here briefly, on March 8, 1987, a Washington Post article, and we note for the record you don't consider that a good source. "Mr. POINDEXTER. That is correct. "Mr. NUNN. You will permit me to read from it this morning, will you not--it says, 'A well-placed legal source said that in the first week after his departure from the White House on November 25th, Poindexter and his attorneys plan to construct a legal defense around his contention that on two occasions in 1986 he told Reagan that the arms sales to Iran were generating money for the contras. According to this source, Poindexter did not tell Reagan there was an illegal diversion of money, but rather that funds for the contras contributed by the Iranians or Israelis were an ancillary benefit of the arms sale.' "Quoting from Time Magazine, April 6, 1987, 'Poindexter believes that he was following Ronald Reagan's policies and that he kept the President adequately informed. Indeed, he is likely to testify that on at least two occasions in 1986 he told Reagan in general terms that the contras were being helped as an ancillary or side benefit of the arms sale or the arms deal with Iran.' "Admiral, reading from your deposition, and I do think your attorney ought to have a chance to take a look at this, May 2[], 1987, page 162-163 [see preceding entry], there is something here	DIVERSION: WHO KNEW POINDEXTER ACCOUNT: See col. 2.

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		that I just want to clarify because it is something that troubles me. "Mr. POINDEXTER. I have that. "Mr. NUNN. . . . The question I will refer to here, and I will read it to you, it is a question by Liman, question, 'Admiral, did you ever tell the President of the United States that Iran was giving any money to the contras?' "Do you see that? "Mr. POINDEXTER. I do. "Mr. NUNN. Your answer, 'I have no recollection of that.' "Question, Mr. Liman, 'Did you ever tell any third person that you had told that to the President?['] "Answer, 'No. I have read the press reports. I have not knowingly told anybody since I left the White House, except my attorneys and my wife.' "Now, Admiral, reading the question again, 'Did you ever tell any third person that you told that to the President?' "Reading the answer again, 'No. I have read the press reports. I have not knowingly told anybody since I left the White House, except my attorneys and my wife.' "One could conclude from that or get the impression from that that you had, in fact, told your wife and your attorney that you had told the President that the money from Iran was going to the contras as those news reports suggest. "I would like for you to clarify that, if I am under a mis-impression because it is ambiguous. "Mr. POINDEXTER. It is, I agree, Senator,	

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		ambiguous. What I meant was that I had not told anybody exactly what had happened except the people identified in that sentence. I do not know the source of the press stories that you referred to. "Mr. NUNN. And so-- "Mr. POINDEXTER. They have no substance in fact. "Mr. NUNN. If I asked you today do either of those stories have any substance? "Mr. POINDEXTER. None. "Mr. NUNN. They are wrong? "Mr. POINDEXTER. They are wrong. "Mr. NUNN. You never told anyone including your attorney and your wife that you had told the President of the United States that funds were being diverted for the contras? "Mr. BECKLER. Mr. Senator, if you can ask that question in a way that--we can avoid the question of what conversations we had with each other as attorney/client. That is the only problem we have here. "He has answered this before Mr. Liman. "Mr. NUNN. What I am asking you, counsel, is whether Admiral Poindexter told any other person that he had related to the President of the United States that funds from the Iranian arms sale were being diverted to the contras? "Mr. POINDEXTER. I have told no person that I ever told the President about the diversion. I don't know the source of those stories. They are not true, and what I have testified to here today is indeed true. I did not tell the President and	

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		I didn't tell anybody that I told the President. "Mr. NUNN. Including your attorney and your wife? Does that answer include your attorneys and your wife? "Mr. POINDEXTER. I said everybody. "Mr. NUNN. So it includes everybody? "Mr. POINDEXTER. Everybody." (Poindexter Testim., JHICI, 7/17/87, at 134-38.)	
86/00/03-810 AFTER APRIL 1986		DIVERSION: WHO KNEW EARL ACCOUNT: Robert Earl learns about the Iran Initiative and the diversion from North in April or May 1986, prior to the Tehran trip. "Q. Did Ollie indicate to you who else knew that moneys from the sales would be used on behalf of the contras? "A. I can't recall whether he specifically told me General Secord knew that, but certainly[ ]by the thing that I already mentioned about the accounts, it seems to me that I knew that. "Q. How about anyone else in the government? "A. He had told me on one occasion that he had told the Director of Central Intelligence, and as I just described for General Secord, I would put Admiral Poindexter in that same category, that I can't specifically recall him telling me that or how I knew that, but -- "Q. You felt you knew it? "A. I just can't conceive of him not knowing from the way he dealt with him. In my general understanding of the mode of operation of Colonel	DIVERSION: WHO KNEW EARL ACCOUNT: See col. 2.

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		North back briefing Admiral Poindexter routinely on everything and anything, either by secure phone call or cross note or memo or going over to see him personally that he did that regularly and that was just the general, my general understanding. "Q. Do you recall when North told you that he had discussed the proceeds going for the contras with Director Casey? "A. The closest that I can bracket it is sometime between May, when I first knew, until November, in that [sic] intervening months -- somewhere in there, and I am just not sure when. "Q. Aside from Casey and Admiral Poindexter, did North indicate whether anyone else in the government was aware of this use of proceeds from the Iranian arms sales? "A. I don't think so, not that I can recall." (Earl, Senate Dep., 5/2/87, at 37-38.)	
86/00/04-100 DURING 1986		DIVERSION MEMOS: GENERALLY, AND NORTH'S AUTHORITY TO KEEP WRITING NORTH ACCOUNT: "Mr. NIELDS. You have testified that you assumed that the President had authorized the diversion. Lieutenant Colonels in the Marine Corps do not divert millions of dollars from arms sales to Iran for the benefit of the contras based on assumptions, do they? "You had a basis for your assumption. "Mr. NORTH. I had the approval of my superiors as for all other things that I did, Mr. Nields. "Mr. NIELDS. You had something else, didn't	DIVERSION MEMOS NORTH ACCOUNT: North sent five or six memos "up the line' each time an arms transaction and hostage release/Iran dialogue looked likely. See col. 2.

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		you, sir[. Y]ou had a specific reason for believing that the President had approved[. Y]ou wrote memoranda, did you not, seeking the President's approval for the diversion? "Mr. NORTH. I did. "Mr. NIELDS. And indeed, you wrote more than one of them? "Mr. NORTH. I did. "Mr. NIELDS. How many did you write? "Mr. NORTH. Again, I will estimate there may have been as many as five. Again, I am trying to recall without access to those particular documents. You may have six, and I am trying to disassemble [sic] at all with you. "Mr. NIELDS. And these five were written, I take it, on each occasion where there was a proposed sale of arms to the Iranians that you felt had reached sufficiently final form to seek the President's approval? "Mr. NORTH. Yes. "Mr. NIELDS. And the first one was in February or January of 1986; is that correct? "Mr. NORTH. As I recall, it was. ". . . . "Mr. NIELDS. This [Ex. OLN 1] is a draft, but I think you just testified that on five different occasions, you put one of those drafts in final form. "Mr. NORTH. It is my recollection that each time we prepared to conduct one of those transactions, and not all of them went through to fruition, there were only three that actually transpired during the time that I was supervising	

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		this activity, but it is my recollection that there were probably five times total, that we actually got to a point where we thought, one, that the sale would take place; and, number two, that we would have the hostages released and a dialogue with the Iranians as a consequence. "Mr. NIELDS. And you sent those memoranda up the line? "Mr. NORTH. It is my recollection I sent each one of those up the line, and that on the three where I had approval to proceed, I thought that I had received authority from the President. I want to make it very clear that no memorandum ever came back to me with the President's initials on it, or the President's name on it or a note from the President on it. None of these memoranda." (North Testim., JHICI, 7/7/87, at 26-29.)	
86/00/04-120 UNTIL NOVEMBER 25, 1986	NORTH'S MEMOS, GENERALLY POINDEXTER ACCOUNT: "Mr. LIMAN. And is it also true that Colonel North was the type of officer who reported? "Mr. POINDEXTER. Yes, extensively. "Mr. LIMAN. He indeed probably reported more than you could read? "Mr. POINDEXTER. Yes, but I have always hesitated to tell people not to report. "Mr. LIMAN. And he also was an officer who liked to get the approval of his superior? "Mr. POINDEXTER. Yes. I think that was his tendency. He wanted to make sure that he was staying on the right track.		

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	"Mr. LIMAN. He testified, as you know, that he believed very strongly in the chain of command? "Mr. POINDEXTER. Yes, I believe that he did. "Mr. LIMAN. And you also believe that? "Mr. POINDEXTER. Yes, I believe that." (Poindexter Testim., JHICI, 7/15/87, at 171-72.)		
86/00/04-130 DURING 1986		DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING, AND HOW MANY HE WROTE POINDEXTER ACCOUNT, Part 1: "Mr. LIMAN. Did you ever give any instructions to Colonel North with respect to whether he should write memos that referred to the diversion? "Mr. POINDEXTER. I don't recall specifically doing that. I do recall telling him when I took the decision the first time that I didn't want anybody else to know about it. "I don't recall telling him not to put it on paper, but Colonel North I think understood, or I thought he understood from earlier discussions with him, to limit the amount of paper that he prepared on his various operational activities. "Mr. LIMAN. Colonel North has testified that he actually wrote in addition to this memorandum some four others, five in total, that describe the various permutations in the transactions with the Iranians and that referred to the diversion, that these all had these references to recommending that you brief the President, and that he sent them to you. You are aware of that testimony? "Mr. POINDEXTER. I am aware of the testimony. He wrote several memoranda on the general subject	DIVERSION: NORTH'S AUTHORITY TO KEEP WRITING, AND HOW MANY HE WROTE POINDEXTER ACCOUNT: See col. 2.

of next steps in the Iranian project which I do recall seeing, and there are--I think you have many exhibits of those documents.

"I do not recall any memo--in fact, I did not recall this one until November of this past year--that addresses the question of diversion.

". . . .

"Mr. LIMAN. . . . Do you, Admiral, dispute Colonel North's testimony that he sent you five different memos, referring to the diversion and recommending that you brief the President?

"Mr. POINDEXTER. I would not characterize it that way.

"I would say, as I have testified, that I do not remember any other memos.

"Mr. LIMAN. Well, if you got one memo after another recommending that you brief the President, would it not have been your practice to say to Colonel North, stop sending me memos referring to the diversion and referring to the President?

"Mr. BECKLER. Objection . . . .

". . . .

"Mr. POINDEXTER. Mr. Liman, I obviously have looked at this memo quite a bit since it was provided to us by the committee staff, and I think it's important to note the structure and note very carefully, the recommendation on the last page--it's the last page of the memo, not the tab--but it says that the President approved the structure depicted above under current situation and the terms of reference.

"Now, the paragraph about diversion is in a paragraph after the one labeled 'current

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		situation,' which lays out the plan for the next steps. The paragraph on diversion is in the discussion paragraph. "And so even in this memo, if I got it at the time, which I don't recall, I very likely would have read it, talked to the President about the current situation, knew that I didn't want to talk to him about the transfer of funds because I had made a deliberate decision earlier not to do that, and of course Colonel North didn't know that, and I purposely wanted to keep that a little obscure because I firmly believe in very tight compartmentation of these issues. "Colonel North did not need to know that. I was his superior, I had the authority to tell him to do it. I told him to do it. He had no reason to question that. "Mr. LIMAN. Admiral, you say you acted in order to provide the President with deniability. How does it provide the President with deniability if the lieutenant colonel sent five separate memos referring to diversion and each saying brief the President? "Mr. POINDEXTER. Mr. Liman, as I've testified already, I do not recall any other memos. I frankly don't. To my knowledge, there weren't any other memos that addressed diversion. "There were memos that addressed other subjects, and I guess I don't know what more you want me to say." (Poindexter Testim., JHICI, 7/15/87, at 113-19. JHICI Ex. JMP 38 [= Ex. OLN 1; Diversion Memo].)	

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86/00/04-131 DURING 1986		DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. LIMAN. Well, did you tell us at one of your earlier sessions that you had actually instructed Colonel North not to put anything in writing on this subject? [See 86/00/04-502.]" [Page reference requested by Mr. Beckler, followed by parliamentary inquiry on classification of depositions by Rep. Courter.] ". . . . "Mr. LIMAN. The question was: Does it refresh your recollection, sir, you so instructed-- "Mr. POINDEXTER. Yes, I see what I've said here, and I don't think it's inconsistent with what I've said here in this particular session. "I was often cautioning Colonel North about putting things in writing about his operational activities, especially with regard to the support for the contras. I didn't want him talking to Director Casey about it--as I have told you why--or anybody else, for that matter. "And I very likely could have told him not to put anything in writing on the transfer of funds. I cannot recall specific conversations to firmly state that I told him that X number of times, but--and maybe I wasn't communicating with him. But I did not want anything in writing on it. "And, as I have told you, my assumption in October and November was that there wasn't	DIVERSION: NORTH'S AUTHORITY TO KEEP WRITING POINDEXTER ACCOUNT: See col. 2.

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		anything in writing on the transfer. "Now, I felt there were things in writing on other aspects of his contra support activity, but I could not recall this memo and didn't think there was anything else. "Mr. LIMAN. Can you recall a single occasion when you said to Colonel North, you have sent me a memo that says brief the President and it refers to contra diversion money, stop writing things like that? "Mr. POINDEXTER. As I've testified, I don't recall getting any memos. "Now, it appears that I may have gotten this memo at the time that it was written, and I have given you my speculation as to what may have happened in trying to reconstruct many months ago activities that I was involved with." (Poindexter Testim., JHICI, 7/15/87, at 119-22. See 86/00/04-502, 86/11/21-515 [Poindexter's deposition testimony].)	
86/00/04-140 JANUARY 1986 AND THEREAFTER	POINDEXTER'S MEMORY POINDEXTER ACCOUNT: "Mr. LIMAN. Now, Admiral, you are a man who prides yourself on memory, is that fair to say? "Mr. POINDEXTER. I have a reasonably good memory, but I have also--I have up until my year as National Security Advisor, I have never been hit with so many issues in such a short period of time. There was a lot of activity that had happened over that previous year and the events of November of 1985 until November of 1986 were very far from my current memory."	DIVERSION MEMOS: "CONCEIVABLE THEY COULD HAVE BEEN PREPARED" POINDEXTER ACCOUNT: "Mr. NUNN. . . . Admiral, you have testified and if I am not fair in summarizing this, please correct me, you were determined to protect the President from political embarrassment by not telling him--this is about the diversion--and by preventing a leak of the plan. "You treated this as a high almost compartmentalized issue. You took great pains not to tell anyone, including the President and	DIVERSION MEMOS: "CONCEIVABLE THEY COULD HAVE BEEN PREPARED" POINDEXTER ACCOUNT: See col. 2.

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	(Poindexter Testim., JHICI, 7/16/87, at 71.) "Mr. NUNN. Admiral Holloway has described you as 'a brilliant and very effective aid[e], totally loyal and trustworthy and a thorough briefer who rarely interjected his own viewpoints.' "Would you agree with that assessment[?] "Mr. POINDEXTER. I agree with that assessment. "Mr. NUNN. Admiral Holloway has also stated, quoting him again, 'Captain Poindexter'--this was when you were a Captain--'Captain Poindexter has a spectacular mental capacity. He reads and understands every paper or report that comes into the office. Furthermore, he retains fully, recalls accurately, and evaluates with a keen sense of what is important and what isn't.' "Would you agree with that assessment? "Mr. POINDEXTER. I think that is a little bit elaborate. You must have been reading from a citation or something, a fitness report? "Mr. NUNN. Fitness report. "Mr. POINDEXTER. Yes. "Mr. NUNN. Moving on . . . ." (Poindexter Testim., JHICI, 7/17/87, at 109-10. See id., 7/21/87, at 81-82 [Poindexter's elaboration on his fitness report].)	Director Casey, and you told North to put anything [sic (nothing)] in writing on this; is that a fair summarization? "Mr. POINDEXTER. Yes. The putting nothing in writing, I think, probably was a more general statement to him. But it certainly included the Iranian projection. "Mr. NUNN. If you saw these five memos come across your desk, the diversion memos, under that set of rigid protective instructions, don't you believe you would have remembered them? "Mr. POINDEXTER. Well, I don't know. It appears that it is possible that I saw one memo, the one that you have as an exhibit. I do not recall seeing any of the others, and I don't have any indications that the others came to me. I guess it is conceivable they could have been prepared, but I do not recall seeing them and I don't believe I did. "So I don't--the kind of question didn't come up in my mind anyway." (Poindexter Testim., JHICI, 7/17/87, at 125-26.)	
86/00/04-200 DURING 1986	THE PRESIDENT'S SIGNATURE: NORTH'S FAMILIARITY NORTH ACCOUNT: North, viewing a blow-up of the Boland Amendment, testified he knew the President's signature when he saw it:	DIVERSION MEMOS: INITIALS OR SIGNATURES NORTH ACCOUNT: After the shoot-down of the Hasenfus plane and Casey's discussion with Furmark, Casey tells North "to clean up the files," removing "[a]nything to	DIVERSION MEMOS NORTH ACCOUNT: See col. 2.

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	"Mr. LIMAN. . . . [A]nd the third signature is one that you recognize, isn't it? "Mr. NORTH. It certainly is, and I hope all Americans do. "Mr. LIMAN. And that's the President of the United States[']? "Mr. NORTH. That's right." (North Testim., JHICI, 7/10/87, at 203.)	do with residuals or . . . diversion." "Mr. LIMAN. And when you went through the files, do you recall how many you found? "Mr. NORTH. The specific memorandum seeking approval? "Mr. LIMAN. Yes, sir. "Mr. NORTH. No, I don't. And what I probably found were dozens and dozens of memoranda relating to the residuals and the application to the contras, among other things. And so, what I am saying--and probably several copies of even the April [one], which I thought I had gotten all of them. "Mr. LIMAN. Well, when you say there were dozens-- "Mr. NORTH. All within the five that I sought approval for. "Mr. LIMAN. So, there were copies of the five? "Mr. NORTH. Exactly. "Mr. LIMAN. And did you look over them to see whose names were written on them? "Mr. NORTH. I think we have already been through this one, Counsel. "Mr. LIMAN. You said you don't recall, and I am asking you whether you looked. "Mr. NORTH. I don't even remember looking. I remember, if-- " . . . "Mr. LIMAN. Did you look to see whose names were written on those memos? "Mr. NORTH. I do not recall looking to see whose names were written on the memos.	

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		"Mr. LIMAN. And do you recall looking to see whether they had check marks or initials? "Mr. NORTH. I do not." (North Testim., JHICI, 7/9/87, at 177-79. See id., 7/14/87, at 131 [North: "On the number of occasions I walked into the Director's office or when meeting with the Director and he would tell me to put away the notebook, that if I couldn't remember it, I didn't belong in the business."].)	
86/00/04-301 1985 AND 1986		DIVERSION MEMOS NORTH ACCOUNT: "Mr. MCCOLLUM. . . . I will call them the diversion memos. . . . "Mr. NORTH. I don't think diversion appeared in any of my memos. "Mr. MCCOLLUM. . . . [W]ere any of these memoranda written in connection with the November '85 Hawk shipment? "Mr. NORTH. I don't believe so, sir. "Mr. MCCOLLUM. Were any of them written in '85? "Mr. NORTH. No. It is my recollection that they were all written after January and the date is uncertain, but the meeting I had in Europe with Mr. Nir and Mr. Ghorbanifar and the first transaction that we actually conducted after that meeting was in February, so my recollection is that the first memorandum that would have address[ed] that would have defined the parameters under which that February transaction would have taken place. "I don't believe that we planned another	DIVERSION MEMOS NORTH ACCOUNT: See col. 2.

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		between the January 20th meeting and what I remember as a February 10th or 15th meeting in Frankfurt with the Iranian intermediary." (North Testim., JHICI, 7/14/87, at 119-20.)	
86/00/04-500 DURING 1986		DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING NORTH ACCOUNT: North testified he did not recall having been ordered by Poindexter to stop sending memos related to diversion: "Mr. NIELDS. Now, at any time did Admiral Poindexter tell you, 'Don't send any more memos like this'? "Mr. NORTH. I don't recall such an instruction, and had I been given it, I would have followed it. There were times when we, in both the case of Admiral Poindexter and Mr. McFarlane, decided no more memoranda on certain subjects, and they would be handled with verbal briefings. ". . . . "Mr. NIELDS. And my question to you is, isn't it true that you continued to send them up to the National Security Adviser seeking the President's approval? "Mr. NORTH. It is my recollection that I did, yes, sir. "Mr. NIELDS. And Admiral Poindexter never told you, 'Stop sending those memoranda.' "Mr. NORTH. I do not recall the Admiral saying that. It is entirely possible, Mr. Nields, that that did happen.	DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING NORTH ACCOUNT: See col. 2.

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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		"Mr. NIELDS. Well, if it had happened, then you would have stopped sending them. Isn't that true? "Mr. NORTH. Yes." (North Testim., JHICI, 7/7/87, at 30-32; JHICI Ex. OLN 1.)	
86/00/04-501 DURING 1986		DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING NORTH ACCOUNT: "Mr. LIMAN. Is it fair to say, Colonel, that if the National Security Advisor struck out on one, two or three memos, that which related to the diversion, that you should have the President briefed or get his approval, that you wouldn't keep writing memos with that same tag line? "Mr. NORTH. I can assure you, counsel, that if the National Security Advisor had told me not to do something, anything, I wouldn't have done it." (North Testim., JHICI, 7/10/87, at 52.)	DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING NORTH ACCOUNT: See col. 2.
86/00/04-502 DURING 1986		DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING POINDEXTER DEPOSITION ACCOUNT: "Q. Admiral, did you ever see any other versions of this memorandum, referring to the use of the proceeds of the arms sales for Iran? "A. I do not recall seeing any other versions of it. "Q. Any other writings referring to it? "A. Writings? "Q. Other than that PROF note on the 6	DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING POINDEXTER DEPOSITION ACCOUNT: See col. 2.

million? [See 86/05/16-440.]

"A. I simply don't recall.

"Q. Did you ever--

"A. In fact, my operating assumption was that there wasn't anything in writing on it, because I told Colonel North repeatedly not to put anything in writing on the transfer of funds to the contras and not to talk to anybody about it.

"Q. Transfer of funds from whom?

"A. From the Iranian project to the democratic resistance, to the contras.

"Q. How many -- you said you told him repeatedly?

"A. I told him several times. I was surprised to learn -- and I forget exactly when I learned it -- that he said something to Mr. McFarlane on the way back from Tehran. I would have advised him or told him not to do that if I knew he was planning on it.

"Q. Why?

"A. Because, again, I didn't want anybody else responsible for it.

"Q. You were willing to take the rap yourself?

"A. I was willing to take the responsibility for my decision. I thought it was important to the President and I thought it was important to the long-term interests of the United States.

"MR. VAN CLEVE: Admiral, did it ever occur to you that because you didn't tell the President about the fact that the Iranians were about to be overcharged, you might prejudice the possibility of future relationships between the United States

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		and Iran? "THE WITNESS: That was not really part of my calculus, I guess. We thought -- I think, trying to reconstruct again my frame of mind at the time, by that point, when Colonel North raised this with me, we knew that the Iranians were being overcharged prior to U.S. involvement. The Iranians were, in my assessment, were aware that they were having to pay premium prices, and its long-term impact on U.S.-Iranian relations was pretty low on my concern." (Poindexter, Senate Dep., 5/2/87, at 182-84.)	
86/00/04-503 DURING 1986		DIVERSION MEMOS: NORTH'S AUTHORITY TO KEEP WRITING POINDEXTER ACCOUNT: "Mr. LIMAN. Did Colonel North on the 21st tell you that he had gotten rid of all memos that related to the diversion? "Mr. POINDEXTER. I heard his testimony. I do not recall it. I don't deny that he did say that, but I simply don't recall it. "My recollection at the time was that I didn't think any documents existed, period, because I couldn't remember any of the memos that he had described. "Mr. LIMAN. Yesterday you said that you weren't sure whether you gave him instructions not to put anything in writing . . . relating to the diversion. "I direct you to page 182 of your testimony in the deposition which has now, I am told, been declassified, and I will read to you these	

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		questions and ask you if you gave these answers. "'Question' -- ". . . . "'Admiral, did you ever see any other version of this memorandum'--which was the so-called diversion memo--'referring to the use of the proceeds of the arms sale for Iran? "'Answer: I do not recall seeing any other versions of it. "'Question: Any other writings referring to it? "'Answer: Writings? "'Question: Yes. Other than the PROF note on the 6 million [sc. Ex. OLN 10]. "'Answer: I simply don't recall. "'Question: Did you ever'--and there was an answer that interrupted the question. "'Answer: In fact, my operating assumption was that there wasn't anything in writing on it because I told Colonel North repeatedly not to put anything in writing on the transfer of funds to the contras and not to talk to anybody about it. "'Question: Transfer of funds from whom? "'Answer: From the Iranian project to the Democratic Resistance, to the contras. "'Question: How many? You said you told him repeatedly? "'Answer: I told him several times. I was surprised to learn--and I forget exactly when I learned it--that he said something to Mr. McFarlane on the way back from Teheran. I would have advised him or told him not to do that if I knew he was planning on it.'	

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		"Does that refresh your recollection, sir, that you in fact did tell Colonel North not to put anything in writing on the diversion? "Mr. POINDEXTER. As I testified yesterday, I recall telling Colonel North many times not to put things in writing on the sensitive projects that he was involved with, and clearly the transfer of funds to the contras was a sensitive item that he was involved with. I also told him not to talk to anybody about it." (Poindexter Testim., JHICI, 7/16/87, at 78-80 [quoting Poindexter, Senate Dep., 5/2/87, at 182-83].)	
86/00/04-550 DURING 1986		DIVERSION MEMOS: CASEY'S VIEWING NORTH ACCOUNT: "Mr. LIMAN. Now, when you talked to the Director in October, after the Furmark incident, and in November, did he ever ask you what the memorandum looked like that you had sent up the line and that you were either going to take care of or had taken care of? "Mr. NORTH. I don't believe so, because I think, at least on one occasion, I actually went over the memorandum with the Director. "Mr. LIMAN. So he knew what it looked like, that one? "Mr. NORTH. Certainly. "Mr. LIMAN. Now, can you recall which transaction was reflected in the memorandum that you went over with the Director? "Mr. NORTH. No. But I have a sense that it was probably the February one, but I don't know	DIVERSION MEMOS: CASEY'S VIEWING NORTH ACCOUNT: See col. 2.

why I feel that. I think it may have been the February transaction.

"Mr. LIMAN. February one involved 500 [TOWs] and then another 500 [TOWs], a total of 1,000 [TOWs], correct?

"Mr. NORTH. That's correct.

"Mr. LIMAN. And do you recall what occasioned you to go over the memorandum with the Director?

"Mr. NORTH. My recollection is--and it is vague because it was a long time ago, it seems--that I was, one, pursuing getting a CIA officer, a particular CIA officer, engaged in the initiative--

"Mr. LIMAN. There's only one CIA officer whose name we used with respect to this, and that is Mr. Cave. Is that who[m] you are talking about?

"Mr. NORTH. And he is the one. He--I'm sorry.

"Mr. LIMAN. No, I would like you to complete your answer.

"Mr. NORTH. My sense is what Director Casey and I started talking about was getting Mr. Cave, because of his experience in that country and his obvious language ability, so that we had a person who is, besides myself, in the Government of the United States, involved in this and who knew exactly what was being said and with whom I had absolute rapport, and he chose to make some kind of arrangement and I'm not sure whether it was on a contract basis or consultancy arrangement, to bring Mr. Cave back to service.

"And it is my recollection that we then had a--I guess it was right after the February transaction, so my date is a little off, but it was at some point in that time frame when I was trying to get Cave involved and I showed the Director one of those memoranda.

". . . .

"Mr. LIMAN. Colonel, was the memorandum you showed him the memorandum as it existed before you sent it up the line or after it came back?

"Mr. NORTH. It was probably before.

"Mr. LIMAN. Did the Director in any way caution you about not sending a memorandum that called for presidential approval?

"Mr. NORTH. I don't recall him ever doing that.

"Mr. LIMAN. Well, isn't it fair to say that given your strong sense of command, your belief in Director Casey, that if Director Casey said to you to not put the President's name on a memorandum, you wouldn't have done it?

"Mr. NORTH. Very true."

(North Testim., JHICI, 7/9/87, at 169-73. See generally id, 7/14/87, at 131 [North: "On the number of occasions I walked into the Director's office or when meeting with the Director and he would tell me to put away the notebook, that if I couldn't remember it, I didn't belong in the business."].)

86/00/04-702
DURING 1986

DIVERSION: AUTHORIZATION, HOW MUCH, WHERE IT WENT, AND WHEN

POINDEXTER ACCOUNT, Part 1:

"Mr. LIMAN. . . . There were three arms

DIVERSION FROM IRAN ARMS SALES

POINDEXTER ACCOUNT:

See col. 2 and next entry.

transactions that actually took place pursuant to the January 17 finding: the thousand TOWs in February, the Hawk parts which were paid for in May, and then the 500 TOWs that were shipped to the second channel in October; correct?

"Mr. POINDEXTER. That is correct.

"Mr. LIMAN. All right.

"And each of these transactions was approved by you?

"Mr. POINDEXTER. That is correct, and the President.

"Mr. LIMAN. And by the President?

"Were there briefing notes or memoranda that you received from Colonel North on each of these transactions?

"Mr. POINDEXTER. There were lots of notes and PROFS notes from Colonel North. I can't recall all of them, but I would think that most of them were covered by either hard copy memos or notes or PROFS notes.

"Mr. LIMAN. Well, was it Colonel North's practice to prepare a briefing memorandum to you when you had to get the President's approval for a transaction such as the arms transactions we are talking about?

"Mr. POINDEXTER. That was his normal practice.

"Mr. LIMAN. And how would you brief the President? Orally or by giving him a copy of the memorandum?

"Mr. POINDEXTER. Usually orally. I would use the paper that Colonel North prepared as talking points and if it was very detailed and I thought that the President might be interested in it, I would sometimes read it, but more often, I would summarize it.

"Mr. LIMAN. Now, Colonel North said that in each of these memoranda that related to the arms transfers, he described how the residuals would be used for the support of the contras.

"Do you recall that, sir?

"Mr. POINDEXTER. I recall his testimony. I do not recall the memos.

"Mr. LIMAN. We do not have--I will say this as a fact--we do not have a single one of the memoranda for those transactions except the draft memos that he prepared in April for a transaction that didn't happen and was then restructured in May. And, therefore, I haven't been able to show you any of those memos.

"Do you, sir, know what happened, personally know what happened to those memos?

"Mr. POINDEXTER. I do not. You do have some exhibits, though, that address next steps. They don't address diversion.

"Mr. LIMAN. They don't?

"Mr. POINDEXTER. I think you have at least one that has a specific note on it from me that I briefed the President and he has approved.

"Mr. LIMAN. But those were next step memos on the initiative?

"Mr. POINDEXTER. That is correct. They didn't say anything about the diversion.

"Mr. LIMAN. No. But they also--we do not have any of the memos that describe[,] as did that draft April memo, the transaction that was about

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		to take place and that the President and you approved. Those memos are gone. Colonel North said they have all been shredded. "I was asking you if you had any personal knowledge on that fact? "Mr. POINDEXTER. I do not." (Poindexter Testim., JHICI, 7/16/87, at 46-48.)	
86/00/04-703 DURING 1986		DIVERSION: AUTHORIZATION, HOW MUCH, WHERE IT WENT, AND WHEN POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. LIMAN. Now, did you believe that all of what . . . Colonel North called the residuals, called the profits, were going to be used for the contras? "Mr. POINDEXTER. That was my understanding. "Mr. LIMAN. And did you ever ask Colonel North how much money these sales were generating for the contras? "Mr. POINDEXTER. No. I never did. "Mr. LIMAN. Did he ever tell you? "Mr. POINDEXTER. That I cannot remember. "Mr. LIMAN. Was there a reason why you didn't ask him how much money we are getting for the contras out of these sales? "Mr. POINDEXTER. Your question was, did I ask him? "Mr. LIMAN. My question was, why didn't you, given your interest in the financing of the contras, which you expressed and you have explained why you were interested in it, why didn't you ask Colonel North, 'How much are we	DIVERSION FROM IRAN ARMS SALES POINDEXTER ACCOUNT: See col. 2 and preceding entry.

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		getting out of these sales for the contras'? "Mr. POINDEXTER. I don't recall, frankly, ever thinking about that. I knew that the arms sales were going through. I had a rough idea of the amount of money involved from the early discussion in February. I knew that a portion of that would go, but with all of the other issues that I was involved with during the year, I simply didn't get into that detail of micromanagement of the project that Colonel North was working on. I told you that was not my style. "Mr. LIMAN. And I take it from that answer, that even though there was an NSPG meeting dedicated to raising $15 million from third countries for the contras, you regarded it as micromanagement to ask Colonel North how much we are getting out of these arms sales for the contras? "Mr. POINDEXTER. As I told you yesterday, I did not have an opportunity before that NSPG meeting to talk to Colonel North. He often wanted to come to see me when I didn't have time. I think he got very frustrated with it. "Mr. LIMAN. What about afterward? "Mr. POINDEXTER. Afterwards he did send me a PROFS note, which you have as an exhibit. "Mr. LIMAN. Which had $6 million? "Mr. POINDEXTER. Which has $6 million in it. "Mr. LIMAN. Apart from that PROFS note, did you ever ask him, 'How much have we gotten for the contras out of all these sales'? "Mr. POINDEXTER. I am sorry? "Mr. LIMAN. I take it--you have already said	

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		that you never asked him after that memo, 'How much have [we] actually gotten for the contras out of all these sales'? That you have already said? "Mr. POINDEXTER. Yes. I don't recall asking him." (Poindexter Testim., JHICI, 7/16/87, at 48-50. On the North PROF to Poindexter referring to the $6 million, see entries starting at 86/05/15-440.)	
86/00/04-708 SOMETIME IN EARLY 1986		DIVERSION: AUTHORIZATION AND HOW THE MONEY WAS TO BE USED NORTH ACCOUNT: North testified he described to Secord "the purposes to which I thought that money should be applied . . . [and] I relied on General Secord to carry that transaction out." North's testimony continued: "Mr. NIELDS. Are you testifying that the transaction was set up, structured in such a way that it was up to General Secord to decide how the residuals were going to be used? "Mr. NORTH. Well, I won't put it all on his back. There was always a concert of opinion that the purpose[s] of the residuals were as follows: To sustain the Iranian operation, to support the Nicaraguan resistance, to continue other activities which the Israelis very clearly wanted, and so did we, and to pay for a replacement for the original Israeli TOWs shipped in 1985. "And we, I think, used that money for that purpose. "Mr. NIELDS. And whose decision was it how those monies were to be used?	DIVERSION: AUTHORIZATION AND HOW THE MONEY WAS TO BE USED NORTH ACCOUNT: Some of the money was to be used to sustain the Iranian operation, but North -- with the approval of Casey and Poindexter -- left it to Secord to figure out the allocation. See col. 2.

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		"Mr. NORTH. Well, I got North--I believed my boss, I talked to Admiral Poindexter about it, I talked to Director Casey about it, and I communicated it back to General Secord and said, here is what we have to do, you figure out how you are going to allocate those monies to accomplish those purposes, and to my knowledge, he did so. "Mr. NIELDS. So you, and you testified to this yesterday, sought approval from the National Security Adviser and the President of the United States as to how this money was going to be used? "Mr. NORTH. I did not say I sought it from the President. I assumed I had from the President and was subsequently told that I didn't have it from the President. "Mr. NIELDS. You wrote memoranda that you sent to the National Security adviser recommending that []he obtain approval of the President? "Mr. NORTH. That is correct." (North Testim., JHICI, 7/8/87, at 54-56. See id., 7/8/87, at 40 [North discussing Nir's proposals for operations on which to use the residuals: "I sought approval fronm my superiors for those operations. I discussed those operations directly with Director Casey."].)	
86/00/04-709 DURING 1986		DIVERSION: HOW THE MONEY WAS TO BE USED POINDEXTER ACCOUNT: "Mr. FASCELL. Admiral, you testified that you first learned about excess funds in a discussion with Colonel North. You made a decision on the use of the funds as legal based on North's	DIVERSION: HOW THE MONEY WAS TO BE USED POINDEXTER ACCOUNT: See col. 2.

debriefing of you.

"I believe you said 'persuasive conversation'.

"Did you ever consider or discuss with anyone that the funds generated by the sale of U.S. arms, no matter how laundered, would always be considered as public money?

"Mr. POINDEXTER. No. That did not enter into the equation at the time. In fact, I am not convinced today, and I think there are many legal experts that have questions as to whether your interpretation of that is correct.

"Mr. FASCELL. Well, the point is it was never considered or discussed by you with anyone?

"Mr. POINDEXTER. No. That's correct.

"Mr. FASCELL. Was there any discussion with respect to how to use excess funds prior to the time that North told you that there would be excess funds, or that they would be used to support the contras?

"Mr. POINDEXTER. The conversation that I have just recalled for Senator Cohen a little bit ago [86/00/02-523] was the first recollection I have of any thought of using residuals out of the Iranian project to support the contras.

"Mr. FASCELL. Now, you testified in answer to Mr. Foley that you'd never really received an accounting or a report on the amount of money that was raised, and also that you never really got an accounting or report on aid that actually went to the contras, and that you left all of that to North [see 86/05/16-470 and -471], as I understand your testimony.

"And so you had no way of measuring or

determining the attainment of your objectives, because that was all in North's hands; am I correct?

"Mr. POINDEXTER. That's correct. The thing that I was interested in--that they were getting supplies and they were surviving as an effective fighting force in the country and in the surrounding countries.

"Mr. FASCELL. So there was no review or accountability either with regard to funds or with regard to attainment of objective, except in the brain of Colonel North, unless you knew that he was telling Bill Casey?

"Mr. POINDEXTER. Mr. Fascell, as I said, I was unaware that Director Casey was in on this. But I think--you know, this business about accountability, it bothers me.

"Mr. FASCELL. I didn't mean it in the sense of accounting for every dollar. But--

"Mr. POINDEXTER. No. But even in general terms, I take exception to the claim that there is no accountability. Colonel North is a very competent, trustworthy officer.

"Mr. FASCELL. I am sure of that. I wasn't raising that question.

"Mr. POINDEXTER. And General Secord is, too.

"Mr. FASCELL. Well, we are still trying to figure out his books. At least I am.

"Mr. POINDEXTER. Well, my feeling is they are both trustworthy people who excercised good judgment and I frankly think that much of the accounting that goes on to provide accountability starts with the premise that people aren't

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		trusted, and in this case I trusted both of these officers implicitly." (Poindexter Testim., JHICI, 7/20/87, at 82-84.)	
86/00/04-710 SOMETIME IN EARLY 1986		DIVERSION: WHERE THE PROFITS WENT NORTH ACCOUNT: "Mr. NIELDS. . . . In the first exhibit . . . you indicate that $12 million will be available for the contras from the Iranian arm sales. Our testimony that the committee has taken has shown that some approximately $4 million from all of the sales were used for the contras. "My question is this: would it have surpised you in November of 1986 to learn that General Secord had used $4 million of the proceeds of the Iranian arms sales for the contras and had $8 million remaining in the pot? "Mr. NORTH. I was surprised. And I want to note I still don't understand that, and I am not willing at this point to accuse anybody, but I was surprised." (North Testim., JHICI, 7/8/87, at 72-73. See JHICI Ex. OLN 1 [the diversion memo].)	DIVERSION: WHERE THE PROFITS WENT NORTH ACCOUNT: See col. 2.
86/00/04-713 DURING 1986		DIVERSION: HOW THE MONEY WAS TO BE USED POINDEXTER ACCOUNT: "Mr. TRIBLE. Admiral, I want to talk first about the enterprise managed and directed by Mr. Hakim and Mr. Secord. "You have testified that all the profits from that enterprise were to go to the contras; is that correct? "Mr. POINDEXTER. My understanding was that	DIVERSION: HOW THE MONEY WAS TO BE USED POINDEXTER ACCOUNT: See col. 2.

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		the--what residuals there might be out of the Iranian project would go to support of the contras. "Mr. TRIBLE. In fact, that was the clear reason for your authorizing that activity in the first place? You wanted to help the contras; correct? "Mr. POINDEXTER. Yes. I assume that you are talking about authorization of the transfer of funds, not the authorization for the Iranian project? "Mr. TRIBLE. Exactly. "Mr. POINDEXTER. Okay. "Mr. TRIBLE. Correct? "Mr. POINDEXTER. This is correct. "Mr. TRIBLE. Your purpose in authorizing the diversion of funds from the sale of arms . . . to Iran to the contras was to help the contras? It wasn't to generate profits? "Mr. POINDEXTER. That is correct. "Mr. TRIBLE. And it is a fact-- "Mr. POINDEXTER. And I don't know, you [k]now, what profits if any were generated. "Mr. TRIBLE. We are going to move on to that, Admiral. It is a fact, is it not, that during these activities, that at no time did you assume that moneys were being made, that there was personal profit? "Mr. POINDEXTER. As I have testified earlier, I think I was conscious of the fact that there would probably have to be some compensation here. There would be costs involved, salaries that would have to be paid, and so forth. But I did not	

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		think about it in terms of large profits. "Mr. TRIBLE. It is a fact, is it not, Admiral, that Colonel North was always talking [to] you that Secord was losing money? "Mr. POINDEXTER. Colonel North and others. "Mr. TRIBLE. That is a fact, is it not? "Mr. POINDEXTER. Yes. That is correct." (Poindexter Testim., JHICI, 7/20/87, at 89-90. For Poindexter testimony following this entry, see 86/07/15-225.)	
86/00/04-715 UNTIL PRESENT	THE ENTERPRISE SUMMARY: For a narrative account of the Enterprise -- the recipient of almost $48 million derived from the Channell-Miller operations, third-country contributions, sale of arms to the Contras and missiles to Iran, sale of weapons to the CIA; and the thwarted recipient of the Brunei $10 million contribution -- see Iran-Contra Report, at 331-59.	THE ENTERPRISE SUMMARY: See col. 1.	THE ENTERPRISE SUMMARY: See col. 1.
86/00/04-720 SOMETIME IN EARLY 1986		DIVERSION: AUTHORIZATION AND HOW THE MONEY WAS TO BE USED NORTH ACCOUNT: North debated who had claim to the proceeds of the Iranian arms deals: "Mr. NIELDS. The question was, if those higher-ups in the United States Government from whom you sought approval decided that the $10 -million should not, any part of it, be sent to the contras but should all come back to the United States Treasury, that is what would have happened, isn't it?	DIVERSION: AUTHORIZATION AND HOW THE MONEY WAS TO BE USED NORTH ACCOUNT: "And I still, to this day, Counsel, don't see anything wrong with taking the Ayatollah's money and sending it to support the Nicaraguan freedom fighters." (North Testim., JHICI, 7/8/87, at 61.) See col. 2.

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		"Mr. NORTH. Yes. "Mr. NIELDS. So it was our money that was going to the contras, wasn't it? "Mr. NORTH. I disagree with your conclusion, Counsel. ". . . . "Mr. NORTH. I disagree with your conclusion. If my boss told me, 'Ollie, every penny that comes from this thing goes right back into the Treasury of the United States of America,' that is exactly what I would have asked General Secord to do. And I am confident that is exactly what he would have done. Okay? "I was never asked to do that. I got approval to do what I did and didn't do anything without approval. "I am not trying to pass it all off on somebody else. I was a part of the decision-making process, and [ ] I strongly advocated positions, as you have seen in my notes, as you have seen in the voluminous pile of documents. I was part of a process. I took strong positions that I believed in. I tried to define the risks and the benefits in my labor for my superiors, what I thought the advantages were of pursuing a certain course of action, and I believe that they carried them out with the full authority that they had. And I still, to this day, Counsel, don't see anything wrong with taking the Ayatollah's money and sending it to support the Nicaraguan freedom fighters." (North Testim., JHICI, 7/8/87, at 60-61.)	

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86/00/04-722 DURING 1986		DIVERSION: WHOSE MONEY AND HOW IT WAS TO BE USED POINDEXTER ACCOUNT: "Mr. BOLAND. You have testified--just one more question--you have testified that you believed that all profits from the Iran initiative would be channeled to the contras; is that correct? "Mr. POINDEXTER. That is correct. "Mr. BOLAND. Was that belief based on your assumption that North or someone subject to U.S. Government control would assure that that would be the result? "Mr. POINDEXTER. I felt that Colonel North and General Secord were completely able to carry that out and I thought they would. "Mr. BOLAND. Colonel North testified that if you had wanted all of the residuals in the Iran arms sales transaction to be returned to the United States Treasury, that would have been done. [See 86/00/04-720.] Do you believe that you had the authority or the ability to direct Colonel North as to how the residuals would be used? "Mr. POINDEXTER. Absolutely. "Mr. BOLAND. Thank you very much." (Poindexter Testim., JHICI, 7/21/87, at 56-57.) After a break in the session of the hearings, Adm. Poindexter elaborated on that response: "Mr. POINDEXTER. After I left the room, Mr. Boland, I realized I may have left the wrong impression there. I did not mean to imply in any way I felt that those were Government funds	DIVERSION: WHOSE MONEY AND HOW IT WAS TO BE USED POINDEXTER ACCOUNT: See col. 2.

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		involved in the transfer. I simply meant to imply that I had authority to provide direction and control over Colonel North in terms of his making his recommendations to General Secord. "I still feel that those funds were either private funds or could be considered as third country funds." (Poindexter Testim., JHICI, 7/21/87, at 58.)	
86/00/04-726 DURING 1986		DIVERSION: AUTHORIZATION, HOW MUCH PROFIT, AND HOW THE MONEY WAS USED POINDEXTER ACCOUNT, Part 1: "Mr. TRIBLE. Let me tell you something about which there is no uncertainty. Mr. Hakim's records, the officials records of the enterprise, established that Mr. Hakim and Mr. Secord transferred over a quarter of a million dollars of those residuals for their own benefit, investing those moneys in an arms company and a timber operation in the Northwest. Did you approve those kinds of actions? Were those actions contemplated by you when you approved the diversion? "Mr. POINDEXTER. Those actions or alleged actions never came to my attention so I was completely unaware of them. "Mr. TRIBLE. Would you have authorized that kind of activity? "Mr. POINDEXTER. It depends on what is appropriate compensation. General Secord, the rest of his business, I was told by a third party, in fact a foreign representative that had done business with him, that because he was spending so much time in helping us, that he was not attending	DIVERSION: AUTHORIZATION, HOW MUCH PROFIT, AND HOW THE MONEY WAS USED POINDEXTER ACCOUNT: See col. 2.

to his business, so I think it was fair to say that his business was losing money. If it had come to me, I would have had to evaluate all the circumstances and all the facts at the time. The point is, it didn't come to me, so I didn't get to it.

"Mr. TRIBLE. But you could not have contemplated that kind of activity when you authorized this operation? You wanted the profits to go to the contras, didn't you?

"Mr. POINDEXTER. Yes, I wanted the residuals, after expenses, to go to the contras, and I simply didn't address at the time the possibility of large profits.

"Mr. TRIBLE. Admiral, the records of the enterprise, again Mr. Hakim's records and his sworn testimony before us, establish[] that in the last arms sale to the contras, we had a $2.1 million arms sale and a profit accruing to the enterprise of $861,000 and that was divided equally [among] Hakim, Secord and Clines.

"Is that the kind of reasonable compensation--

"Mr. BECKLER. Mr. Chairman, I would like to object. We have never been given access or an opportunity to examine the records, all the accounting records, in preparation for our testimony here today.

"Let me say further that there has been all kinds of amounts thrown out. . . .

". . . .

"Mr. TRIBLE. Admiral, let me ask you again, when you approved this activity, did you authorize that kind of a mark-up, a mark-up in excess of 40 percent for the arms sold to the contras?

"Mr. POINDEXTER. As I have testified and answered an earlier question of yours, Senator Trible, the question of compensation or profits for the private organization that was carrying this out simply didn't come up.

"Mr. TRIBLE. It would seem apparent to me that anyone who cared about the contras, as you and I do, would be offended by that kind of activity.

"Let me ask you this question--

"Mr. POINDEXTER. If I knew all the facts, I might be able to draw some conclusions about this, but I don't know all the facts and I'm not going to speculate.

"Mr. TRIBLE. What [a]bout financial oversight in accounting? What oversight in accounting did you put in place to ensure that these large sums of money would be properly allocated?

"Mr. POINDEXTER. The trust and confidence in General Secord and Colonel North.

"Mr. TRIBLE. When the CIA or CIA proprietaries undertake covert activity, isn't it true that there is very strict accounting and oversight?

"Mr. POINDEXTER. I have no idea.

"Mr. TRIBLE. The record I think establishes that there is very strict oversight and accounting, and what was absent here.

"Mr. POINDEXTER. I understand that the Intelligence Committees and the Appropriations Committees of the Congress want to micromanage all

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		covert operations and get details down to the level of sources. That information is not always provided, but it is my view that much too much information is provided to the Congress about the details of covert activity." (Poindexter Testim., JHICI, 7/20/87, at 93-96. See id., 7/20/87, at 106-08 [Secord's profits and accounting records, generally]; id., 7/20/87, at 235-43 [breakdown of money going to the Contras].)	
86/00/04-727 DURING 1986		DIVERSION: AUTHORIZATION, HOW MUCH PROFIT, AND HOW THE MONEY WAS USED POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. TRIBLE. Well, Admiral, I simply have pursued this line of questioning because I think it does underscore the risk of taking public policy private, of operating outside ~~of~~ established channels without checks and balances, without oversight or accounting. Good people and policy get into big trouble, and we have seen that. ". . . . "Mr. POINDEXTER. I don't agree that this was a privatization of foreign policy. The foreign policy was clearly established by the President. There was no secret about that. He campaigned on these issues. He campaigned on support for the contras. He campaigned on working to get the hostages back. He campaigned on the importance of the Persian Gulf to the American people and to the national security of the free world. "Again, we are talking here about details of	DIVERSION: AUTHORIZATION, HOW MUCH PROFIT, AND HOW THE MONEY WAS USED POINDEXTER ACCOUNT: See col. 2.

implementing that policy. And I still contend that the American people don't want to know those details.

"Mr. TRIBLE. So then Hakim and Secord were operating on behalf of the government. They were agents of the government in their activities?

"Mr. POINDEXTER. They were operating in cooperation with the government as private individuals. Very patriotic, I might add, and I am not going to pass--you have made a lot of allegations as to what sort of profits they have made or not made, and I think you know that the facts will have to speak for themselves, but I hope at some point a better explanation as to their long-term thinking about the use of these funds can be made.

"The point is that when they started, they didn't know--we didn't know that this was going to be exposed in November of '86. We were trying to open an effective second channel into the Iranian government. They would have had no idea how long this was going to go on. It needed to be a self-sustaining operation so all the questions that went into the money that they set aside I think are still uncertain in my mind as to what their intentions were.

"Mr. TRIBLE. Admiral, clearly you didn't know about the financial aspects of this operation?

"Mr. POINDEXTER. I did not."
(Poindexter Testim., JHICI, 7/20/87, at 96-99.)

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86/00/04-740 DURING 1986		DIVERSION: WHO CONTROLLED THE MONEY NORTH ACCOUNT:	DIVERSION: WHO CONTROLLED THE MONEY NORTH ACCOUNT:

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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		"Mr. COHEN. . . . The money that was generated by the sales of the weapons to the Iranians . . . [was] to be used for the contras and other special purposes. I think you have indicated very clearly that you had general control over the disposition of those funds. "Mr. NORTH. Again, I don't like to use the word 'control.' I never felt that I actually controlled a nickel of the funds. "I did talk not to Mr. Hakim but to General Secord about the fact that, 'Look, we need some money for this.' General Secord would frequently point out to me, 'You've got to stop coming up with these unforeseen contingency requirements if we are going to run there--keep the Nicaragua resistance alive, continue the Iranian initiative, and still do these other things that you come up with on very short notice.' "Mr. COHEN. There is no doubt in your mind that had you directed that amount of money, a certain amount that had to go to the contras, that he would have agreed with that? "Mr. NORTH. Again, I don't think it's right to say directed. There were frequently times when General Secord would point out that my expectations were unreasonably high and that I should be more considerate of the fact there were other expenses engaged in this effort." (North Testim., JHICI, 7/13/87, at 155-56.)	See col. 2.
86/00/04-760 1985-86	DIVERSION: WHERE THE MONEY WENT, AND MONZER ALAKAZAR POINDEXTER ACCOUNT:		DIVERSION: WHERE THE MONEY WENT, AND MONZER ALAKAZAR POINDEXTER ACCOUNT:

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	"Mr. BROOKS. . . . Have you ever heard of a Syrian arms merchant named Monzer Alakazar? "Mr. POINDEXTER. I don't believe so. Doesn't ring any bells. "Mr. BROOKS. He's one that the senior editor of Reader's Digest said the police suspected that Alakazar is an arms supplier for terrorists and among his associates is the PLO Abul Abbas, who masterminded the Achille Lauro hijacking. "Mr. POINDEXTER. I know that name. I just don't remember knowing Alakazar. "Mr. BROOKS. Would it disturb you to learn that one and a half million dollars was paid to this Alakazar out of the Lake Resources and ToyCo accounts controlled by Colonel North and General Secord and Mr. Hakim, accounts which contain the proceeds from the Iranian arms sales and donations from American citizens? "Mr. POINDEXTER. Mr. Brooks, when you are buying arms on the Third World market--I haven't been in the business myself, but I understand that you often have to deal with people that you might not want to go to dinner with. "I don't know anything about the particular item you are discussing, but it doesn't particularly surprise me. "Mr. BROOKS. You testified that you agreed with Colonel North that the diversion was a neat idea because the Ayatollah's money was supporting the contras. "Now, might not the terrorists think it was a pretty neat idea that their activities were being supported by our million and a half?		See col. 1.

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JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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	"Mr. POINDEXTER. I don't know what we--I'm not sure of the facts or what we got for the million and a half. Presumably we got--General Secord got arms for that and-- "Mr. BROOKS. That is the assumption from the documentation. "Mr. POINDEXTER. Yes. "Mr. BROOKS. He is just buying arms. "Mr. POINDEXTER. I assume that that's what you were referring to. "Mr. BROOKS. That's right." (Poindexter Testim., JHICI, 7/20/87, at 179-80.)		
86/00/04-770 1984-86	DIVERSION AND OTHER COVERT OPERATIONS: RECORDKEEPING POINDEXTER ACCOUNT: "Mr. DEWINE. . . . You have said again and again--in fact, you said this morning--that you did not micromanage Ollie North, that your management style was, frankly, very similar to the President's. So my question, Admiral, is this: Just who was the detail person in this scenario? "Mr. POINDEXTER. Well, I think, you know, it obviously depends upon what level of detail you are talking about. Certainly General Secord, in terms of the contra support operation and the details of the movement of the arms, was in it at a much greater level of detail than Colonel North. "Colonel North was heavily involved in the details of the discussions with the Iranian officials. He was heavily involved with the details about the hostages. So, you know, it depends.	DIVERSION AND OTHER COVERT OPERATIONS: RECORDKEEPING POINDEXTER ACCOUNT: See col. 1.	DIVERSION AND OTHER COVERT OPERATIONS: RECORDKEEPING POINDEXTER ACCOUNT: See col. 1.

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	"Mr. DEWINE. Maybe-- "Mr. POINDEXTER. You know, I think in an organization, my view as to the way they ought to run is that you have some sort of hierarchial structure, and the level of detail addressed at each level depends upon where it is in the structure. "Mr. DEWINE. I guess, Admiral, what bothers me is who was in charge of the details in regard to Secord and North? Who took care of that? "Mr. POINDEXTER. You are talking about oversight? Is that-- "Mr. DEWINE. Well, let me just be specific. Who in this operation was worried about the legalities? Who was putting up the red flag and saying we have--maybe we have a problem here, maybe we have a potential problem? . . . "But it seems to me there is a flag that should have been going up, a flag should have been going up, I think, in regard to the money. . . . "Mr. POINDEXTER. Mr. DeWine, that implies looking at the problem in a different way than I was looking at it. Clearly, if appropriated moneys of the U.S. Government, in other words, U.S. taxpayers' money is involved, you know, you probably have to have, as we do have, a very detailed accounting system to make sure the money is all spent for its intended purpose. "But here we are not talking about U.S. appropriated funds. We are talking about private funds, third-country funds that really are outside of the purview of the U.S. Government, and the trust and confidence that I have and had in		

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	General Secord did not give rise to any concern in my eyes that he wouldn't use the money in the best interests of the United States. "Mr. DEWINE. . . . [B]ut looking back, with all that money being involved . . . . "But wouldn't that have been a way to eliminate a lot of this problem, if records would have been kept? . . . "Mr. POINDEXTER. In hindsight, it would have been useful, I think, in terms of assuring that the money was getting to the contras in the amounts that it should have been. And I am not conceding that that is not the case. "But to answer your questions that have been raised in this committee, it would obviously have been easier on the witnesses to have detailed records. "The--obviously, there are some records. I have not had the opportunity to look at them. Frankly, I don't care to. So, you know, somebody is going to have to draw some judgments as to how accurate those records are." (Poindexter Testim., JHICI, 7/21/87, at 93-97.)		
86/00/05-147 1985-86	THE ERRIA SUMMARY: For a narrative description of the Erria, and how it was acquired and used, see Iran-Contra Report, at 367-69.		
86/00/07-030 FROM 1984	THE FULL-SERVICE COVERT OPERATION NORTH ACCOUNT: See col. 2.	THE FULL-SERVICE COVERT OPERATION NORTH ACCOUNT: "In a word, Director Casey said it was a	

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		full-service covert operation, and I am not sure that was a bad description. There were a lot of people who cared, and I say we cared because a lot of us, like Rob Owen and General Secord and Bill Haskel[l] and myself, came to know the young camp[e]sino who is fighting this war. . . . "I didn't create the Nicaraguan contra or the Nicaraguan freedom fighter, and the CIA didn't create it. The Sandinistas created it. They all cared enough to do all of those things, not just the way you have left it, sending guns, sending guns, sending guns. It was all of that, Counsel, as best we were able." (North Testim., JHICI, 7/8/87, at 164-65. See Secord Testim., JHICI, 5/7/87, at 124-27 [Secord on his covert operations organization].)	
86/00/07-100 DURING 1986	THE FULL-SERVICE COVERT OPERATION: OFF-THE-SHELF NORTH ACCOUNT: See col. 2.	THE FULL-SERVICE COVERT OPERATION: OFF-THE-SHELF NORTH ACCOUNT: "[I]t was always the intention to make this a self-sustaining operation and that there always be something there which you could reach out and grab when you needed it. Director Casey said he wanted something you could pull off the shelf and use at a moment's notice." (North Testim., JHICI, 7/8/87, at 79. See id., 7/10/87, at 169.)	
86/00/07-120 DURING 1986	THE FULL-SERVICE COVERT OPERATION: OFF-THE-SHELF FUNDING NORTH ACCOUNT: "Mr. JENKINS. . . . Now, as I understand this continuing fund that would be funded from the	THE FULL-SERVICE COVERT OPERATION: OFF-THE-SHELF FUNDING NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: OFF-THE-SHELF FUNDING NORTH ACCOUNT: See col. 1.

profits or the residuals, as you refer to them, of the sales to Iran as well as some of the gifts from at least one of the countries that went into the account, that would go into an off-budget account that would not . . . have anything to do with the United States Government.

"Mr. NORTH. It did not.

"Mr. JENKINS. But the projects that would be financed by that would all be directed by the United States Government?

"Mr. NORTH. Yes.

". . . .

"Mr. JENKINS. . . . Based upon what you have said, I mean, if they decided--I am not talking about you, but whoever had control of this fund--if they wanted to give the money to the Sandinistas, they could have.

"Mr. NORTH. They would have to account to me if they did.

"Mr. JENKINS. I am not talking about you[r] being there. I am talking about your successor. This was going to be an ongoing--

"Mr. NORTH. That was the intention.

"Mr. JENKINS. --operation, was it not?

"Mr. NORTH. It was. Again, I can't say for sure when we started talking with the Israelis about the kinds of activities I described to you last night, what the time frame would have been. Most of those were relatively short-term operations as I desribed them to you.

". . . .

"Mr. NORTH. I share some of your concerns, but I also share a belief that the responsible

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	people within the Executive who are competent to undertake those kinds of activities and given the lack of alternatives, again I still see it to be within the law. [Sic.]" (North Testim., JHICI, 7/10/87, at 169, 175-76.)		
86/00/07-135 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: GOVERNMENT WITHIN A GOVERNMENT NORTH ACCOUNT: According to North, the full-service covert operation was not a private CIA: "I have said that when we go all the way back to 1984, when this activity was initiated, that the purpose was for these outside non-U.S. Government entities to assist in prosecuting the foreign policy goals of the United States. It was never intended that anybody get rich. It was never intended that anybody do anything with the money other than support those foreign policy goals. "Unfortunately, there seems to be an idea that developed as a consequence of my testimony that there was a government within a government, or that there was a CIA within the CIA, or that somehow these moneys belonged to the U.S. Government. I don't view it that way. "I'm certainly not a financial expert or a legal authority on those kinds of activities. I saw those foreign entities, those--the network of companies and the like that were set up as being there to support the prosecution of foreign policy goals. It was never envisioned in my mind that this would be hidden from the President.	THE FULL-SERVICE COVERT OPERATION: GOVERNMENT WITHIN A GOVERNMENT NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: GOVERNMENT WITHIN A GOVERNMENT NORTH ACCOUNT: See col. 1.

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	". . . . "I will tell you that it was always my understanding that it was a short-term project, not something that was going to go on ad infinitum, and that partially is a question that was raised by Representative Jenkins last week. It was a fix for a short-term problem; and I described to you in executive session some of the activities that were to be supported by these non-U.S. Government moneys." (North Testim., JHICI, 7/13/87, at 46-47.)		
86/00/07-140 DURING 1986	THE FULL-SERVICE COVERT OPERATION: CASEY'S MEANING OF OFF-THE-SHELF NORTH ACCOUNT: "Mr. LIMAN. Do you remember giving testimony about the fact that Director Casey wanted something that he could pull off the shelf and that that is why he was excited about the fact that you were now able to generate some surpluses that could be used? "Mr. NORTH. That is correct. "Mr. LIMAN. Why don't you give us a description of what he said, or as you understood it, what he meant by pulling something off the shelf? "Mr. NORTH. Director Casey had in mind, as I understood it, an overseas entity that was capable of conducting operations or activities of assistance to U.S. foreign policy goals that was a stand-alone-- "Mr. LIMAN. Self-financed? "Mr. NORTH. That was self-financing,	THE FULL-SERVICE COVERT OPERATION: CASEY'S MEANING OF OFF-THE-SHELF NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: CASEY'S MEANING OF OFF-THE-SHELF NORTH ACCOUNT: See col. 1.

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	independent of appropriated monies and capable of conducting activities similar to the ones that we had conducted here. There were other countries that were suggested that might be the beneficiaries of that kind of support, other activities, to include counterterrorism. "Mr. LIMAN. Did I understand you to say, if I am wrong just tell me, that the chart that you had drawn by Hakim, which is Exhibit 328, was a chart to reflect that concept? "Mr. NORTH. I don't--I don't recall asking Mr. Hakim for that chart. I think--my recollection--if my recollection is correct, that chart was something that I had asked General Secord for. "Mr. LIMAN. Was it intended to reflect the concept as described by Director Casey? "Mr. NORTH. Yes. "Mr. LIMAN. Now, Director Casey was in charge of the CIA and had at his disposal an Operations Directorate, correct? "Mr. NORTH. Certainly. "Mr. LIMAN. And, as I understand your testimony, Director Casey was proposing to you that a CIA outside of the CIA be created. Fair? "Mr. NORTH. No. "Mr. LIMAN. Well, wasn't this an organization that would be able to do covert policy to advance U.S. foreign policy interests? "Mr. NORTH. Well, not necessarily all covert. The Director was interested in the ability to go to an existing, as he put it, off-the-shelf, sustaining, stand-alone entity that could perform		

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	certain activities on behalf of the United States. And as I tried to describe to the committee last night in the executive session, several of those activities were discussed with both Director Casey and with Admiral Poindexter. "Some of those were to be conducted jointly by other friendly intelligence services, but they needed money." (North Testim., JHICI, 7/10/87, at 90-92; JHICI Ex. OLN 328. See 86/00/04-715 [the Enterprise, generally]. See also Secord Testim., JHICI, 5/7/87, at 124-27 [Secord on his covert operations organization].)		
86/00/07-143 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: CASEY'S AND NORTH'S VIEWS NORTH ACCOUNT: "I think one of the things that Director Casey was looking to was not something that was to be sustaining out through the 1990s, these activities; that he was talking about the use of outside entities to support limited foreign polcy goals of the Government. "I described some of those activities to the committees the other evening in executive session. ". . . . "I regarded this an imaginative solution to some short-term problems. "A number of the initiatives that were undertaken that I briefed the committees on the other night assumed that these were immediate short-term--once conducted, that activity, you could actually put the company back on the shelf	THE FULL-SERVICE COVERT OPERATION: CASEY'S AND NORTH'S VIEWS NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: CASEY'S AND NORTH'S VIEWS NORTH ACCOUNT: See col. 1.

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	or do away with it. And that's how I saw it being pursued." (North Testim., JHICI, 7/13/87, at 55.)		
86/00/07-145 DURING 1986	THE FULL-SERVICE COVERT OPERATION: THE PRIVATE CIA AND ITS SHIP, THE ERRIA NORTH ACCOUNT: "Mr. LIMAN. And I ask you today, after all you have gone through, are you not shocked that the Director of Central Intelligence is proposing to you the creation of an organization to do these kinds of things outside of his own organization? "Mr. NORTH. Counsel, I can tell you I am not shocked. I don't see that it was necessarily inconsistent with the laws, regulations, statutes and all that obtain. I don't see that it would necessarily be unconstitutional. I don't see that it would necessarily be in any way a violation of anything that I know of. And if indeed the Director had chosen to use one of these entities out there to support an operation in the Middle East or South America or Africa, and an appropriate finding were done and the appropriate activities were authorized by the Commander in Chief, the head of state in his capacity to do so, maybe I am overly naive, but I don't see what would be wrong with that. "Mr. LIMAN. Maybe you are. "But did the Director ever tell you that he contemplated that this private organization would operate pursuant to Presidential findings? "Mr. NORTH. We never got that far. "Mr. LIMAN. Did the Director ever tell you	THE FULL-SERVICE COVERT OPERATION: THE PRIVATE CIA AND ITS SHIP, THE ERRIA NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: THE PRIVATE CIA AND ITS SHIP, THE ERRIA NORTH ACCOUNT: See col. 1.

that this private organization would be subject to oversight pursuant to the laws of the United States by Congress?

"Mr. NORTH. Again, the discussion didn't get that far.

"Let me describe one example to you, if I may. When we ended up needing a ship to perform a certain task, there was nowhere to get one on short notice, and so this organization produced it practically overnight.

"Mr. LIMAN. But is it a fact--

"Mr. NORTH. That was because the Director said, 'We can't find one anywhere else, get a ship,' and we got a ship.

"Mr. LIMAN. And that was a ship to be used for covert operations?

"Mr. NORTH. As I defined them to you last night, there were several--

"Mr. LIMAN. That ship was to be used for a covert operation--

"Mr. NORTH. That is correct.

"Mr. LIMAN. Is it a fact that it was purchased out of the funds that were generated by the Iranian arms sale?

"Mr. NORTH. It didn't cost the taxpayers of the United States a cent.

"Mr. LIMAN. But was it generated out of the proceeds of the Iranian arms sale?

"Mr. NORTH. I cannot tell you exactly what the sources of those funds were other than it was not taxpayers' money, and you and I both know there were many sources for the funds that went into those accounts.

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	"Mr. LIMAN. Those accounts were the enterprise accounts? "Mr. NORTH. I never referred to them as the enterprise. "Mr. LIMAN. The Lake account? "Mr. NORTH. The Lake account was the money in-- "Mr. LIMAN. Project Democracy, you used terms like that. "Mr. NORTH. I don't have a problem with using a term called Project Democracy." (North Testim., JHICI, 7/10/87. at 93-95.)		
86/00/07-185 1984-86	THE FULL-SERVICE COVERT OPERATION AND THE CIA RESERVE FOR CONTINGENCIES NORTH ACCOUNT: "Mr. STOKES. Colonel, your full-service covert operation sounds to me a great deal like what is known as the CIA's reserve for contingencies fund. "You are aware of that fund, aren't you? "Mr. NORTH. I am, sir. ". . . . "Mr. NORTH. But it also my understanding that in the case of the Boland proscription going all the way back to 1984, when we sought the release of reserve funds to continue support during the summer of '84, that that release was forbidden. "Mr. STOKES. Let me tell you what I think the difference is between the CIA's reserve for contengencies and your operation. "That contingency funds requires the approval of the President. It requires review by the NSC	THE FULL-SERVICE COVERT OPERATION AND THE CIA RESERVE FOR CONTINGENCIES NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION AND THE CIA RESERVE FOR CONTINGENCIES NORTH ACCOUNT: See col. 1.

and notification to Congress.

"Your covert operation was different. Your operation had no presidential approval, it had no finding. All the covert operations that I know of had findings. Your covert operation had no financial accountability. That is not true of any covert operation that I am aware of, run by the CIA.

"Your covert operation generator spent funds for projects that were not the subject to oversight by the Congress, by the statutory members of the National Security Council, and according to your account, by the President.

"So wasn't the basic difference between your covert operation and the reserve for contingencies that yours was outside the framework of Government, and the reserve, with all of its flexibility, is within the framework of the Government?

"Mr. NORTH. I guess my problem in answering that, Mr. Chairman, is that having testified for five and a half days as to what I did, and how it was done, and the way it was all conducted, I'm sure that you are going to draw conclusions like the one you've just drawn.

"But I find myself in a difficult spot trying to summarize five and a half days of testimony. There is no doubt about what you say if those are the regulations pertaining to the reserve for contingencies. I have tried to describe to you the authorities I sought to conduct the activities I did. If that is outside the U.S. Government in your view, I am sure that is the conclusion that

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	will obtain. "In the case of the activities that we conducted, I sought and thought I had the approval to do what we did, using non-U.S. Government entities to carry them out." (North Testim., JHICI, 7/14/87, at 82-84.)		
86/00/07-220 SOMETIME BETWEEN 1984 AND NOVEMBER 25, 1986	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION NORTH ACCOUNT: "Mr. NIELDS. . . . Colonel North, what was your legal authority for conducting a full-service operation to support the contras? "[Witness conferrring with counsel.] "Mr. NORTH. The authority that I sought from my superiors in setting up the activity to begin with and then the conduct of it. "Mr. NIELDS. . . . Are you aware of any finding that supported your operation or any specific determination by the President that the NSC should conduct it? "Mr. NORTH. No. "Mr. NIELDS. And I should state for the record that at page [III-]124 of the Tower Board Report the following is stated: 'The President told the Board on January 26, 1987, that he did not know that the NSC staff was engaged in helping the contras.' "Is the NSC itself authorized to conduct cover[t] operations abroad? "Mr. NORTH. I have found nothing that in my experience as a National Security Council staff member that indicates that it is not. ". . . .	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION NORTH ACCOUNT: See col. 1.

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	"Mr. NIELDS. I take it that during the time when you were supporting, conducting a full service covert operation in support of the contras, the NSC was an agency involved in intelligence activities? "Mr. NORTH. I am still uncertain as to how to answer your question. I was on the NSC staff coordinating the activities of an outside USG group of people, on occasion I had contact with people inside the U.S. government. I kept my superiors fully apprised as to what they were doing. Director Casey was intimately aware of the activities." (North Testim., JHICI, 7/8/87, at 184-87.)		
86/00/07-250 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION NORTH ACCOUNT: "Mr. MITCHELL. . . . Is it your contention that the President could authorize and conduct covert actions with unappropriated funds? Is that the point you are trying to make? "Mr. NORTH. Yes. "Mr. MITCHELL. And in such event, to whom would the President be accountable? "Mr. NORTH. To the American people that elected him, Senator. . . . "Mr. MITCHELL. Of course, if by definition covert action is secret and he doesn't tell them about it, there is no way the American people can know about it to be able to vote him out of office on that basis, is there? "Mr. NORTH. But, in fact, that is the issue I tried to raise in the letter that I wrote well	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION NORTH ACCOUNT: See col. 1.

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	before I ever met counsel. "When I was talking about the Jay treaties, it was not that President Washington in any way was not cooperative with the Congress; he simply refused to lay before the Congress all that had gone on in the negotiation of those treaties. "That was debated again in the 1930s in the U.S. vs. Curtiss-Wright Export Corporation, and the Supreme Court held again that it was within the purview of the President of the United States to conduct secret activities and to conduct secret negotiations to further the foreign policy goals of the United States. "Mr. MITCHELL. If I may just say, Colonel, the Curtiss-Wright case said no such thing. . . . "I think the record should reflect Curtiss-Wright was on a completely different factual situation and there is no such statement in the Curtiss-Wright case. ". . . . "Mr. MITCHELL. You testified earlier about the contra resupply effort and your role in it. You said, 'This was a covert operation run by the U.S. Government.' "You said, 'We were conducting a covert operation.' And you testified Director Casey described it as a full-service covert operation. "Now, under the law, for any agency of Government other than the Central Intelligence Agency to conduct a covert operation, three things must occur. The first is that the President must specifically designate that agency to conduct covert operations; the second is that the		

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	President must make a finding authorizing this particular covert operation and finding it in the national interest. "Now, in this respect, I will start with these two. "You have already testified that the President did not make a finding authorizing the contra resupply covert operation; is that correct? "Mr. NORTH. I have seen no finding. "Mr. MITCHELL. Did the President specifically designate the National Security Council to conduct covert operations? "Mr. NORTH. I have no specific knowledge of that, as I have testified. I've told you what I know about the decision process that obtained in that case. "Mr. MITCHELL. And the third thing the law requires is that the Congress be notified and that you have testified that did not occur? "Mr. NORTH. Senator, if I may--not to interrupt--and respectfully so--but the law, as I understand it, requires the President notify the Congress in a timely manner. That has not been noted. And, second of all, it is in regards to operations involving the use of appropriated funds. And I think that those are important omissions that have not been entered in the record." (North Testim., JHICI, 7/13/87, at 16-19.)		
86/00/07-251 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION, EXEC. ORDER 12333, AND NSDD 159 NORTH ACCOUNT:	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION, EXEC. ORDER 12333, AND NSDD 159 NORTH ACCOUNT:	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION, EXEC. ORDER 12333, AND NSDD 159 NORTH ACCOUNT:

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	"Mr. MITCHELL. . . . [S]ince you have testified that you conducted a covert operation and since you further testified that the President neither designated the National Security Council to conduct covert operations nor did he make a finding authroizing this covert operation, what was the legal basis for your activities with respect to this covert operation? "Mr. NORTH. To go back once again to Curtiss-Wright--because I do believe it does speak to the issue of what the President can or can't do with his own staff and I believe it does talk to the issue of conducting secret diplomacy--the fact is that the President can do what he wants with his own staff. "The National Security Council staff is not included within the constraints that are depicted in either the Executive Order or the NSDD as an intelligence agency. And thus in neither case does the law provide the President had to do what you are saying he had to do. "Mr. MITCHELL. Well, I hand to you a copy of President Reagan's order. "Mr. NORTH. You are referring to NSDD 159. "Mr. MITCHELL. Right. This is the first page of an order signed and approved by President Reagan, and the first sentence of paragraph number 2 reads: 'In accordance with Executive Order 12333, the Central Intelligence Agency shall conduct covert actions unless the President specifically designates another agency of the Government.' "Now, that is not limited to other	See col. 1.	See col. 1.

intelligence agencies; I think a fair reading of that can only mean that no agency of Government can conduct a covert action other than the Central Intelligence Agency, unless the President specifically designates that agency for that purpose.

"You have testified that, as a member of the National Security Council staff, you conducted a covert operation. And my question is: Did the President specifically designate the National Security Council staff for that purpose?

"Mr. NORTH. Again, I think we are going to end up agreeing to disagree, Senator. I think what I have said consistently is I believe the President has the authority to do what he wants with his own staff, that I was a member of his staff, that Mr. McFarlane was and that Admiral Poindexter was, and that in pursuing the President's foreign policy goals of support for the Nicaraguan resistance he was fully within his rights to send us off to talk to foreign heads of state, to seek the assistance of those foreign heads of state to use other than U.S. Government monies, and to do so without a finding.

"I would also point out again that that language right here in paragraph 2 of the NSDD extract that you have is taken directly from the Executive Order.

"Mr. MITCHELL. That is right.

"Mr. NORTH. An Executive Order signed by the President. This NSDD was signed by the President.

"Mr. MITCHELL. Right.

"Mr. NORTH. If the President chooses to waive

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	his own Executive Orders or chooses to waive the provisions of his own NSDDs which do not have the force of law, it is fully within his rights to do so. "Mr. MITCHELL. But the President told the Tower Board, and I quote: 'The President told the Board of January 26, 1987 that he did not know that the NS[C] staff was engaged in helping the contras,' and therefore, the President could not have waived the provisions of the Orders as you have described, and could not have so designated the NSC if, as he said, he did not know that the NSC staff was engaged in helping the contras, could he? "Mr. NORTH. You are asking me to speak for the President and what he said to the Tower Board, and I have not talked with the Tower Board, nor was I there when he did. The fact is, as I have testified for four straight days, I--I think there is no one on this committee that would debate it--kept my superiors fully apprized of just exactly what I was doing. "They were, and I was a member of the President's staff. The President has since said, I believe publicly, that he was aware of what was being done, and that in fact it was at least partially his idea. "There is no doubt that the President wanted the policy of support for the Nicaraguan resistance pursued, and I did so to the very best of my abilities." (North Testim., JHICI, 7/13/87, at 20-24. See 81/12/04-100 [Exec. Order 12333]; 85/01/18-100		

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	[NSDD 159]. See also Poindexter Testim., JHICI, 7/20/87, at 110-12 [Poindexter on NSDD 159].)		
86/00/07-252 1986-87	THE CURTISS-WRIGHT CASE SUMMARY: For a discussion of United States v. Curtiss-Wright Corp., 299 U.S. 304 (1936), within the context of the Iran-Contra investigation, see Iran-Contra Report, at 388-90, 472-73.		
86/00/07-253 BETWEEN 1984 AND 1986		NSDD 159 AND PRESIDENT'S AUTHORIZATION OF COVERT ACTIVITIES OF THE NSC POINDEXTER ACCOUNT, Part 1: "Mr. LIMAN. You've testified that one of your duties was to implement Presidential policies on national security. "Mr. POINDEXTER. That's correct. "Mr. LIMAN. Did that include the National Security Directive 159? "Mr. POINDEXTER. Would you refresh my memory on the subject of that? "Mr. LIMAN. That's the directive that says that if any agency other than the CIA is to undertake certain covert operations, that the President should designate that agency. . . . ". . . . "Mr. LIMAN. It's Exhibit [JMP] 101. And let me just read to you: 'In accordance with Executive Order 1233[3], the Central Intelligence Agency shall conduct covert actions unless the President specifically designates another agency of government.' "Were you familiar with that provision?	

"Mr. POINDEXTER. Yes. In fact, as I recall, I participated in the drafting of that NSDD

. . . .

"Mr. LIMAN. Did the President of the United States ever designate the NSC to undertake the activities in support of the contras that you have testified the NSC was doing?

"Mr. POINDEXTER. Let me make this clear. As I testified yesterday, the word 'covert action' is not a statutory term. I would not necessarily have characterized the NSC support for the contra activity as a covert action.

"The covert actions used in most cases is a shorthand term for the statutory language in the Hughes-Ryan Act of special activities of the Intelligence Community, those activities that are not involved in intelligence collection and analysis.

"The Hughes-Ryan Act[] or amendment to the National Security Act applies to the Intelligence Community. Executive Order 1233[3] applies to the Intelligence Community. This NSDD prescribes the procedures to be followed by the administration to carry out the provisions of the Hughes-Ryan Amendment to the National Security Act. The NSC staff is not covered in any of that.

"Mr. LIMAN. Can you answer the question now? Did the President designate the NSC to conduct the activities in support of the contras that you have described in your testimony yesterday?

"[Witness conferring with counsel.]

"Mr. POINDEXTER. In effect, he did, Mr. Liman, but not through a finding. A finding was not required.

"Mr. LIMAN. I'm not talking about a finding. [You] said, in effect.

"Mr. POINDEXTER. I want to make it clear, as I said yesterday and as Mr. McFarlane has testified, the President in effect wanted the National Security Council to make sure that the contras remained alive until we could turn the vote around in the Congress and return to a program that was supported with appropriated funds.

"Mr. LIMAN. When we're talking about the President of the United States, I think we would both agree that we shouldn't talk about what he did in effect.

"Did the President ever designate in words, in substance of words, the NSC to conduct the activities in support of the contres that you described yesterday?

"Mr. POINDEXTER. I would not characterize it that way at all. As I said, if you take the totality of the President's actions, that was clearly his intent.

"Mr. LIMAN. But you did not state that in words?

". . . .

"Mr. POINDEXTER. There was no written finding on this activity because none was required." (Poindexter Testim., JHICI, 7/16/87, at 32-36; JHICI Exx. JMP 101 [NSDD 159], JMP 102 [Exec. Order 12333]. See 81/12/04-100 [Exec. Order 12333]; 85/01/18-100 [NSDD 159].)

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86/00/07-254 BETWEEN 1984 AND 1986		NSDD 159 AND PRESIDENT'S AUTHORIZATION OF COVERT ACTIVITIES OF THE NSC POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. LIMAN. Was there an oral designation by the President to the NSC to carry on the activities that you have described? "Mr. POINDEXTER. There was not a specific designation that you are trying to define that I know about. "Mr. LIMAN. Are you saying that you understood the President to want the NSC to do that? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. Now, you raised some questions about definition of covert actions. "Mr. POINDEXTER. Yes. "Mr. LIMAN. Is it true that your support for the contras was intended to be covert? "Mr. POINDEXTER. Covert in the sense of being secret. That doesn't mean that it is covert as usually accepted as referring to special activities of the intelligence community. "Mr. LIMAN. And you would also agree that they were actions of the NSC staff which were taken in the form of Colonel North, not just PROF notes? "Mr. POINDEXTER. They were very clearly actions. I have testified to that before. Colonel North was essentially the switching point that made the operation work after the Boland Amendment."	

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		(Poindexter Testim., JHICI, 7/16/87, at 36-37.)	
86/00/07-255 BETWEEN 1984 AND 1986		COVERT OPERATIONS INVOLVING THE NSC STAFF POINDEXTER ACCOUNT, Part 1: "Mr. STOKES. Admiral, I have listened carefully to your testimony and that of Colonel North about the covert operations that he directed from the NSC. It has occurred to me that this testimony has likely given the American public a false impression of how covert operations are normally conducted by the United States. "First of all, normally covert operations are conducted by the Central Intelligence Agency; isn't that true? "Mr. POINDEXTER. Normally, It is not a requirement, but normally. "Mr. STOKES. The reason for that, Admiral, is that they are the professionals, that is one of the responsibilities of the Central Intelligence Agency and they have been doing it for the United States since World War II. "Mr. POINDEXTER. But they do not have a monopoly on the expertise to do that, Mr. Stokes. "Mr. STOKES. You say they don't have a monopoly on it. Had you or Colonel North ever conducted covert operations before? "Mr. POINDEXTER. I had not. I'm not certain about Colonel North, but certainly Director Casey has been heavily involved in covert operations going back to the Second World War. "Mr. STOKES. I am talking about you and Colonel North. You were carrying out this covert action. Director Casey wasn't carrying it out,	COVERT OPERATIONS INVOLVING THE NSC STAFF POINDEXTER ACCOUNT: See col. 2.

was he?

"Mr. POINDEXTER. I disagree with that. The finding was addressed by the President to the Director of Central Intelligence. He chose, with my agreement, to use Colonel North heavily in that operation. Members of this community and other members of Congress and the press have insisted from the beginning this was some sort of NSC harebrained scheme operated out of the basement of the White House.

"That simply is not an accurate description, and I frankly resent your characterizing it in that way.

"Mr. STOKES. I haven't characterized it that way. What did I say to characterize it in that way?

"Mr. POINDEXTER. You just said that it was an NSC covert operation. It didn't have anything to do with Director Casey. That is what I understood you to say.

"Mr. STOKES. I don't think I said that at all. I said you and Colonel North were carrying out an operation in which neither one of you had had any previous experience in covert operations?

"Mr. POINDEXTER. That is the point I take exception with, describing it as a covert operation that Colonel North and I were carrying out. I was involved with the decision to go ahead with it. I was involved with coordination with Bill Casey, but it is not accurate to describe it and thereby discredit it by saying that I didn't have any experience conducting covert operations.

"I don't think that is relevant."

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		(Poindexter Testim., JHICI, 7/20/87, at 229-32.)	
86/00/07-256 BETWEEN 1984 AND 1986		COVERT OPERATIONS INVOLVING THE NSC STAFF POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. STOKES. Would you agree with me, Admiral, that when the CIA conducts covert operations that it regularly reviews its activities to ensure that they are legal, and no such review was conducted with reference to your covert operation? "Mr. POINDEXTER. Are you talking in general terms of the Iranian project? What exactly are you talking about? Maybe that is our-- "Mr. STOKES. I am talking about the covert actions. I understood that the Iranian operations where funds are being diverted to the contras in Central America and the Central American operation, where resupplying of the contras--those were covert operations, were they not? "Mr. POINDEXTER. That is correct, and I don't know whether the CIA reviewed periodically the legality of the Iranian project. I suspect they did. The General Counsel of the CIA was involved in preparing the finding. "Mr. STOKES. No, Admiral, let me try to clarify. What I am saying to you is, under operations conducted by the Central Intelligence Agency of a covert nature, they regularly review those operations with their lawyers in order to be assured that they are complying with the law. I am saying to you, your operation was not so reviewed for its legality.	COVERT OPERATIONS INVOLVING THE NSC STAFF POINDEXTER ACCOUNT: See col. 2.

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		"Mr. POINDEXTER. You are talking about the transfer, that portion of the project that involved the transfer of residual funds to the contras. Is that the point you are trying to get to? "Mr. STOKES. Yes, let's just talk about that. "Mr. POINDEXTER. That was not reviewed to my knowledge. As it turns out, unbeknownst to me at the time, Colonel North has testified that he did discuss it with Director Casey, who also happens to be a lawyer and a very good one, but I was unaware of that at the time. "Mr. STOKES. The CIA was not part of the contra support and resupply covert operation in Nicaragua, was it? "Mr. POINDEXTER. That is correct, they weren't. "Mr. STOKES. That was a covert action run solely by Colonel North, wasn't it? "Mr. POINDEXTER. It was a secret operation. I would not characterize it in the way that you are trying to, using what I believe is your definition of covert activity as a substitute for the language of special activity. "Mr. STOKES. Thank you, Mr. Chairman." (Poindexter Testim., JHICI, 7/20/87, at 232-33.)	
86/00/07-258 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: CONGRESSIONAL REPORTING REQUIREMENTS OF NSC COVERT ACTIVITIES MEESE ACCOUNT: "Mr. NIELDS. Now, Exhibit [EM] 69 is an opinion done . . . December 17, 1986, by Mr.	THE FULL-SERVICE COVERT OPERATION: CONGRESSIONAL REPORTING REQUIREMENTS OF NSC COVERT ACTIVITIES MEESE ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: CONGRESSIONAL REPORTING REQUIREMENTS OF NSC COVERT ACTIVITIES MEESE ACCOUNT: See col. 1.

Cooper, Assistant Attorney General, Office of Legal Counsel, and at page 5, note 10--and again I want to emphasize this is on a subject matter here as a different law, not the Boland Amendment--he states the NSC clearly falls within the definition of an intelligence agency given in Section 403(b)1 of the Intelligence Authorization Act, and then he quotes: 'Any department, agency or other entity of the United States involved in intelligence or intelligence-related activities.'

"Would you agree with that statement?

"Attorney General MEESE. As it pertains to the Intelligence Authorization Act, and that given section, and that definition, which is probably the most extensive definition of what is involved in--what was concerned with this particular act, I think is probably that the NSC would fall within that, since it is--or at least it could be deemed to be--an entity of the United States involved in an intelligence-related activity.

"Mr. NIELDS. Now, was the Department of Justice, to your knowledge, ever asked to give an opinion on whether a covert operation, a full-service covert operation done by the NSC overseas, would have to be reported to Congress?

"Attorney General MEESE. I don't recall that there has been such a request. I don't know of any request, and I don't believe that there has been, that information or a legal opinion was requested of the Department by the President or anyone.

"Mr. NIELDS. Again referring to this same memorandum . . . footnote 11, it starts

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	off . . .[,] 'Covert intelligence operations are subject to the congressional reporting requirements of Section 501 of the National Security Act, whether they are conducted by the CIA, the NSC or some other agency.' "Would you agree with that statement? "Attorney General MEESE. Yes, I think generally I would. "Mr. NIELDS. So if the NSC were running a covert operation, even without the involvement of the CIA, there would be a congressional reporting requirement that would apply? "Attorney General MEESE. Well, again, I would have to give you a definitive legal opinion, which I would have to be totally knowledgeable about the kind of CIA operation. "This says covert intelligence operations, and it would depend a lot on what all of the circumstances were, how they were being run and under what authorization and so on." (Meese Testim., JHICI, 7/28/87, at 174-76; JHICI Ex. EM 69 [Cooper memo to Meese, "Legal Authority for Recent Covert Arms Transfers to Iran," 12/17/86].)		
86/00/07-260 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: See col. 2.	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: "Colonel North testified that he and Director Casey had agreed upon a full-service operation to support the contras using nonappropriated funds. I never heard of any such full-service operation from either Director Casey or Colonel North, and I certainly never concurred in one.	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: See col. 2.

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		"But, more importantly, I do not want the record to reflect that I subscribed to the notion that the Executive Branch can or should establish a self-sustaining private enterprise to carry out activities outside the oversight of the Congress. Colonel North has testified that he did not recall that I had directed him not to solicit funds to support the contras. I did [sic] instruct him to solicit funds, and according to his own testimony, and apparently other evidence, in fact he did not do so." (McFarlane Testim., JHICI, 7/14/87, at 202-03.)	
86/00/07-263 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: See col. 2.	NORTH'S CONTRA ACTIVITIES AND THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: "There are a number of facts upon which Colonel North's recollection differs from mine, but they are marginal to our basic disagreement. "That disagreement involves the clear implication from his testimony that I authorized an operation involving pervasive disregard of statutory restraints, that I permitted with knowledge creation of a separate clandestine and far-reaching network of private operations that involved private profits and which was to be concealed even from other members of the Executive Branch, officials who were entitled to know the details of an authorized covert operation. "It is true that the conduct of a covert operation consistent with the narrow and changing restrictions of the various Boland amendments required determinations of authority that were	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: See col. 2.

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		difficult and debatable and in the long run could have been dangerous. "But this is a far cry from saying that I or other members of the Administration authorized what was clearly beyond anyone's power to authorize, specifically the so-called full service offshore operation of Messrs. Secord, Hakim, and Ghorbanifar. "This is untrue because it is unthinkable. It violates every tenet of my political beliefs, everything that I have sought throughout my career to sustain and advance. "These are my beliefs and the rule of law and the doctrine of accountability. "These are the essence of the constitutional form of government which I have fought in war to defend, which I worked in Congress here to carry out and were part of my deepest beliefs when I served in the Executive Branch as Counselor to the Secretary of State and as the President's National Security Adviser." (McFarlane Testim., JHICI, 7/14/87, at 206-07.)	
86/00/07-265 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: See col. 2.	NORTH'S CONTRA ACTIVITIES AND THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: "Mr. RUDMAN. . . . You have testified as to the one area that concerns many of us so much, the one that obviously leapt off of the video screen into your head when they talked about the off-the-shelf covert, privately-funded, off-budget, nonaccountable covert capacity. "That is what you were directing your	THE FULL-SERVICE COVERT OPERATION: AUTHORIZATION McFARLANE RESPONSE TO NORTH: See col. 2.

attention to and if I understand your testimony today, you not only didn't authorize that, but further you did not know about that; is that correct?

"Mr. MCFARLANE. That is correct, Senator Rudman.

"I think--perhaps I stressed that too much--my intention really was not to be so concerned about that, but rather two other points, the authority which Colonel North assumed for these actions--not the full service organization, but separately when cometh directions for the cover. [Sic.]

". . . .

"Mr. RUDMAN. It is your testimony today that this broad-ranging supply effort which Colonel North testified he discussed in great detail with Mr. Casey and also said that you were informed . . . generally . . ., but in terms of being specifically informed, you weren't; I want to understand your testimony.

"I wasn't sure I followed it.

"Mr. MCFARLANE. I think a separate point that hasn't been made at all is that the contra movement has been in operation in the field and under the advice of the CIA from 1981 through 1982 through 1983 and much of 1984, before the second Boland amendment was enacted.

"Now, one has to assume that during those more than three years of training by the CIA that they learned something, notably how to buy weapons and train people, conduct tactics and so forth.

"I say that because I think frankly that it may have been too much of a crutch for me and for

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		others to assume that once Boland was enacted and [sic] the contras were on their own capable of continuing to buy arms, train and so forth. "But to answer your question to say that I was generally aware that the contras were being resupplied, of course I was, and that the conduct of the battle was going on and so forth, certainly. "Whether or not Colonel North was involved to the extent that seems now evident is another matter. "Mr. RUDMAN. That is my question. I guess what you are saying is after hearing his testimony, what you are testifying here to is that you were not aware of the extent of his involvement? "Mr. MCFARLANE. That is correct." (McFarlane Testim., JHICI, 7/14/87, at 209-11.)	
86/00/07-300 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: FINANCIAL ACCOUNTING NORTH ACCOUNT: "Mr. TRIBLE. So what you are telling us then is that there really was no financial oversight by you or by anyone else in the United States Government? "Mr. NORTH. . . . . I did not do an accounting. It was simply a matter of things were moving very, very quickly. ". . . . "Mr. TRIBLE. Now, let me ask you this: Under established channels, when covert operations undertaken by the CIA or by CIA operatives, isn't	THE FULL-SERVICE COVERT OPERATION: FINANCIAL ACCOUNTING NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: FINANCIAL ACCOUNTING NORTH ACCOUNT: See col. 1.

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	there strict financial oversight and accountability? "Mr. NORTH. Generally, yes. And I'm not intimately familiar with the comptroller's office at Langley, but well enough known that they do a rigorous accounting of the expenditures of funds in the conduct of a covert operation. ". . . . "Mr. TRIBLE. It is fair to say, Colonel North, that under normal and established procedures, when covert operations are undertaken by the Goverment there is always a strict accounting of those activities and that here there was not? "Mr. NORTH. I would--given my knowledge, I think that is a fair statement." (North Testim., JHICI, 7/13/87, at 50-52.)		
86/00/07-620 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. LIMAN. . . . [D]id Colonel North ever tell you that any covert operations other than the contra operation and the ship were to be paid for out of the Iranian arms sales? "[Counsel conferring with witness.] "Mr. POINDEXTER. Mr. Liman, as I have testified, there wasn't any plan and I don't recall-- "Mr. LIMAN. That was not the question. "Mr. BECKLER. I object . . . . ". . . . "Mr. POINDEXTER. I do not recall knowing of	THE FULL-SERVICE COVERT OPERATION: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. LIMAN. Colonel North testified that in addition to the use of the proceeds of the Iranian arms sale for the contras, it was to be used for a series of other covert projects. "Do you remember that testimony of his? "Mr. POINDEXTER. I heard that testimony. "Mr. LIMAN. Was that the first time you ever heard about that? "Mr. POINDEXTER. It is the first time that I have heard it discussed in that depth. I must say there was, as far as I was concerned, no such plan.	THE FULL-SERVICE COVERT OPERATION: POINDEXTER'S KNOWLEDGE POINDEXTER ACCOUNT: See col. 2.

any other specific plan that the funds from what General Secord has described as the enterprise were to be used.

"There were, as I said, discussions about the possibility, and these were very preliminary discussions that frankly didn't get any place because we were just too pressed on other issues. But there were some discussions about the feasibility of doing some other things, and I don't know all the details of Colonel North's discussions with Director Casey and I haven't talked to Colonel North about this issue since it has come up, so I'm not quite sure, without knowing what he said, if I'm even recalling the same thing.

"Mr. LIMAN. Admiral, did he ever talk to you about off-the-shelf operations, full-service covert organizations, self-sustaining covert operations?

"Mr. POINDEXTER. Not in those terms." (Poindexter Testim., JHICI, 7/15/87, at 143-46.)

See col. 2.

"I don't at all doubt that Colonel North and Director Casey may have discussed that. Frankly, it is an idea that has some attractive features, in my mind, but there was no plan that was brought to me or that I took to the President to proceed in that kind of direction. That would have required substantial discussion.

"Mr. LIMAN. So that the--that Colonel North's testimony that he briefed you on the use of the proceeds for other covert operations is just mistaken?

"Mr. POINDEXTER. Well, I recall in the meeting--I think I recall, and again, you know, trying to remember these things but listening to all the testimony, I do believe that in the two January meetings with Nir there was discussion about financing the 508 TOWs, because, as I have testified, I think that may have been the first time that I realized that they really expected us to pay for them.

"Mr. LIMAN. He was talking about something other than that?

"Mr. POINDEXTER. No, I understand, but let me finish.

"There also was a very brief, general discussion about some other cooperative activities, which I could discuss in closed session. I'm not at all sure what you discussed up here in the closed session last--

"Mr. LIMAN. I don't want you to mention it here. But did Colonel North ever tell you that any covert operations other than the contra operation and the ship were to be paid for out of

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		the Iranian arms sales? "[Counsel conferring with witness.] "Mr. POINDEXTER. Mr. Liman, as I have testified, there wasn't any plan and I don't recall-- "Mr. LIMAN. That was not the question. "Mr. BECKLER. I object . . . . ". . . . "Mr. POINDEXTER. I do not recall knowing of any other specific plan that the funds from what General Secord has described as the enterprise were to be used. "There were, as I said, discussions about the possibility, and these were very preliminary discussions that frankly didn't get any place because we were just too pressed on other issues. But there were some discussions about the feasibility of doing some other things, and I don't know all the details of Colonel North's discussions with Director Casey and I haven't talked to Colonel North about this issue since it has come up, so I'm not quite sure, without knowing what he said, if I'm even recalling the same thing. "Mr. LIMAN. Admiral, did he ever talk to you about off-the-shelf operations, full-service covert organizations, self-sustaining covert operations? "Mr. POINDEXTER. Not in those terms." (Poindexter Testim., JHICI, 7/15/87, at 143-46.)	
86/00/07-621 BETWEEN 1984	THE FULL-SERVICE COVERT OPERATION: POINDEXTER'S KNOWLEDGE AND THE PLAN'S ATTRACTIVENESS	THE FULL-SERVICE COVERT OPERATION: POINDEXTER'S KNOWLEDGE AND THE PLAN'S ATTRACTIVENESS	THE FULL-SERVICE COVERT OPERATION: POINDEXTER'S KNOWLEDGE AND THE PLAN'S ATTRACTIVENESS

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AND 1986	POINDEXTER ACCOUNT: See col. 2.	POINDEXTER ACCOUNT, Part 1: [Overlapping the end of the preceding entry:] "Mr. LIMAN. Admiral, did [North] ever talk to you about off-the-shelf operations, full-service covert organizations, self-sustaining covert operations? "Mr. POINDEXTER. Not in those terms. "Mr. LIMAN. And you said that the idea might be one that you would find attractive. I think that we ought to get an explanation of why you would find it attractive. I think that we ought to get an explanation of why you would find it attractive to have covert operations funded out of the residuals of the Iranian arms sale rather than through the normal appropriations processes of the CIA. "Mr. POINDEXTER. Well, because I can't recall a thorough discussion with Colonel North about this concept that he and Director Casey were obviously musing about, based on his testimony. I'm not quite sure the--what the ramifications of what he was suggesting up here in his testimony. "But my point, the reason I said that something like that might be attractive, it gets into a broader issue that I'm obviously willing to discuss at this point, my views on covert activities and how they ought to be conducted. But there are some significant problems with our present arrangement with the CIA in conducting covert activities. There are some reasons for that I could get into. I'm not sure you want to do it now. "Mr. LIMAN. I think that there is probably	POINDEXTER ACCOUNT: See col. 2.

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		nothing more important for me to do for the committee than to ask you to direct those remarks to the use of a non-appropriated fund generated by an initiative that is conducted pursuant to a finding that deals with one subject, and why you would have found it attractive to use those funds, not appropriated by Congress, not the subject of the finding signed by the President--if that is what you are saying, why you would have found it attractive to use those for some covert operations. "If I misunderstood you, please correct that. "Mr. POINDEXTER. You misunderstood me and I obviously didn't articulate very well what I meant. "I wasn't suggesting that I find attractive establishing such an organization without the President's approval or without a finding or even without talking to Congress about it in some fashion. What I am saying is that the present mechanism where you have two large Intelligence Committees of the Congress with very large staffs and you've got two Appropriations Committees that also want to know about covert activities when appropriated funds are involved, you have a very difficult situation. "At the CIA there is frankly, in my view, there is concern about conducting operational activities with some of the employees there. There is to some extent some friction between the operations side of the Agency and the intelligence side of the Agency, because covert actions tend to be controversial, even when they are briefed to	

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		Congress, which, in my view, is what causes the leaks. "There is concern when covert actions fail. The risk of failure is high in many of these operations and the result of failure, as demonstrated by these hearings, is too high a price to pay for many of the fine bureaucrats, and I don't mean that in a pejorative sense, but that is a very high price to pay for career government service, so they often are not anxious to support or recommend or conduct covert activities in a truly covert way. "And I'm saying that a private organization, properly approved, using non-appropriated funds in an approved sort of way, may be a solution to the problem. That is all I meant." (Poindexter Testim., JHICI, 7/15/87, at 145-48.)	
86/00/07-622 BETWEEN 1984 AND 1986	THE FULL-SERVICE COVERT OPERATION: THE PRESIDENT'S KNOWLEDGE AND THE PLAN'S ATTRACTIVENESS POINDEXTER ACCOUNT: See col. 2.	THE FULL-SERVICE COVERT OPERATION: THE PRESIDENT'S KNOWLEDGE, AND THE PLAN'S ATTRACTIVENESS POINDEXTER ACCOUNT, Part 2: [Continuing from the preceding entry:] "Mr. LIMAN. Did you ever discuss that concept [of 'a private organization, properly approved, using non-appropriated funds in an approved sort of way'] with the President? "Mr. POINDEXTER. I did not. "Mr. LIMAN. Did the President ever say anything that encouraged you to believe that he would favor that type of operation? "Mr. POINDEXTER. Only in the very broadest sense, in that he often talked about how he	THE FULL-SERVICE COVERT OPERATION: THE PRESIDENT'S KNOWLEDGE AND THE PLAN'S ATTRACTIVENESS POINDEXTER ACCOUNT: See col. 2.

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		thought that the Lafayette Escadrille, the Lincoln Brigade were good examples of private support for causes that people of the United States believed in. That is a very-- "Mr. LIMAN. Did you ever say anything to Colonel North that you can recall that would have led him to believe that you would approve the creation of a private organization to do covert operations for the United States with unappropriated funds? "Mr. POINDEXTER. As I recall, in the early days of the administration, maybe as early as the second or third year, there were some informal discussions internally on the NSC staff about some of the problems that we saw in conducting covert activity, and I don't recall at the time that there was any thought of non-appropriated funds, but there was thought that maybe--in fact, I can recall a conversation, maybe not with Chairman Hamilton, but I think maybe Chairman Durenberger on the question of maybe we ought to move covert activity entirely out of the CIA. So I can recall those kinds of discussions, but nothing as specific as Colonel North-- "Mr. LIMAN. Out of the CIA and out of the Government itself? "Mr. POINDEXTER. In effect, it would not be out of the Government, but it would have that appearance." (Poindexter Testim., JHICI, 7/15/87, at 148-49.)	
86/00/07-810 SOMETIME	THE FULL-SERVICE COVERT OPERATION: CIA KNOWLEDGE NORTH ACCOUNT:	NORTH'S CONTRA ACTIVITIES AND THE FULL-SERVICE COVERT OPERATION: CIA KNOWLEDGE	THE FULL-SERVICE COVERT OPERATION: CIA KNOWLEDGE NORTH ACCOUNT:

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BETWEEN 1984 AND NOVEMBER 25, 1986	See col. 2.	NORTH ACCOUNT: Casey knew; he came up with the title, accordingly to North: "In a word [sic], Director Casey said it was a full-service covert operation, and I am not sure that was a bad description." (North Testim., JHICI, 7/8/87, at 164.) But others at the CIA, according to North, were also aware of the operation: "Mr. NORTH. I think the level of knowledge that Mr. Abrams had was certainly shared among people who were engaged in the Central American Task Force. I want to go back once again to intelligence. Maybe I would like to expand it out -- I am not trying to drag in a whole bunch of people in the Ollie North Dragnet here, but the National Intelligence Daily that is published every single day by the CIA, except I think Sunday, is provided to the Intelligence Committees up here, and there was ample indication frequently that there was re-supply going on from '84 through '86. And so there were a lot of people who knew that something was happening. "Now, I don't know if the intelligence that was being seen by the CIA actually had my name on it aside from those issues that Director Casey brought up with me directly, but surely there were times when people pointed out to me, by the way, is that ship leaving country 'X' headed for country 'Y'? And I would say, yes, and they knew enough to call me about that. "So Director Casey had specific and detailed knowledge because I briefed him frequently in	See col. 2.

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		detail. Below his level, I would guess the knowledge got thinner the further down the ladder you went until you got to the Central American Task Force, and within the Central American Task Force there were people who had much more specific knowledge than in the intervening layers. ". . . . "Mr. NIELDS. And did you ever discuss with the Chief of the Central American Task Force the specifics of your role in the contra resupply operation? "[counsel conferring with witness] "Mr. NORTH. Yes. "Mr. NIELDS. How frequently? "Mr. NORTH. As necessary. "Mr. NIELDS. I take it more than once? "Mr. NORTH. Yes. "Mr. NIELDS. Was it more like once a week? "Mr. NORTH. I don't know. I would guess that there were occasions that were perhaps weekly. It wasn't necessary to do it weekly so much as it was just to get a feel for how things were moving." (North Testim., JHICI, 7/8/87, at 173-75.)	
86/00/07-812 BETWEEN 1984 AND NOVEMBER 25, 1986	THE FULL-SERVICE COVERT OPERATION: CIA INVOLVEMENT NORTH ACCOUNT: "Mr. BOLAND. . . . You've described the residuals in the Iran arm sales transactions as intended to support Director Casey's off-the-shelf covert operations entity. Weren't the residuals therefore funds available to the CIA? "Mr. NORTH. No, sir. The CIA never	THE FULL-SERVICE COVERT OPERATION: CIA INVOLVEMENT NORTH ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: CIA INVOLVEMENT NORTH ACCOUNT: See col. 1.

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	had--except for those monies transferred to the CIA from those entities to pay for weapons purchased under the Economy Act from the DoD, the CIA never had available to it a nickel." (North Testim., JHICI, 7/14/87, at 133-34.)		
86/00/07-815 BETWEEN 1984 AND NOVEMBER 25, 1986	THE FULL-SERVICE COVERT OPERATION: CIA VIEW CLARRIDGE ACCOUNT: "Mr. Cohen. I would like to move on to the issue of the non-governmental, off-the-shelf counterterrorist unit. Do you have -- did you have any discussions with Director Casey on the formation of an independent, covert operation or covert action capability for use in counterterrorist response teams? Did you ever have any conversation with Director Casey? "Mr. Clarridge. You mean a non-governmental? "Mr. Cohen. Right. "Mr. Clarridge. No. I never have. "Mr. Cohen. Do you know whether the DCI approved the formation of such a group under the control of individuals who had no formal contact with the CIA, as such? "Mr. Clarridge. I never heard of such a thing. "Mr. Cohen. No discussions ever took place at that time? "Mr. Clarridge. No. Never even heard of it. "Mr. Cohen. Were you aware of the formation of any other groups who were independent of official U.S. control which were used for the conduct of U.S. covert actions? "Mr. Clarridge. Well, I was aware of what was	THE FULL-SERVICE COVERT OPERATION: CIA VIEW CLARRIDGE ACCOUNT: "Mr. Cohen. Were you aware of the formation of any other groups who were independent of official U.S. control which were used for the conduct of U.S. covert actions? "Mr. Clarridge. Well, I was aware of what was going on down in Central America as far as, you know, obviously somebody was doing something down there. But I had no specific knowledge as to who they were or what exactly they were doing." (Clarridge Testim., JHICI, 8/4/87, at 146-47.) See col. 1.	THE FULL-SERVICE COVERT OPERATION: CIA VIEW CLARRIDGE ACCOUNT See col. 1.

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JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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	going on down in Central America as far as, you know, obviously somebody was doing something down there. But I had no specific knowledge as to who they were or what exactly they were doing. "Mr. Cohen. So this is all news to you about this so-called independent group that they tried to set up through the use of the sale of . . . weapons to create a fund that could be used for so-called off-the-shelf independent operations? You never had any knowledge of that? "Mr. Clarridge. No. Not at all." (Clarridge Testim., JHICI, 8/4/87, at 146-47.)		
86/00/09-100 1984-86	NORTH'S ACTIVITIES, GENERALLY: AUTHORIZATION NORTH ACCOUNT: See col. 2.	NORTH'S CONTRA ACTIVITIES: AUTHORIZATION NORTH ACCOUNT: (1) "I believed from the moment I was engaged in this activity in 1984 that this was in furtherance of the foreign policy established by the President. I still believe that." (North Testim., JHICI, 7/8/87, at 229.) (2) "I was simply a staff member with a demonstrated ability to get the job done. . . . My authority to act always flowed, I believe, from my superiors. My military training inculcated in me a strong belief in the chain of command. Insofar as I recall, I always acted on major matters with specific approval after informing my superiors of the facts as I knew them, the risks and the potential benefits." (North Testim., JHICI, 7/9/87, at 4. See id., 7/13/87, at 128 [all North's acts at the NSC were authorized]. See also id., 7/13/87, at 128 [all North's acts at	NORTH'S ACTIVITIES, GENERALLY: AUTHORIZATION NORTH ACCOUNT: See col. 2.

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		the NSC were authorized].) (3) "I clearly understood that Mr. McFarlane wanted me to be the person who was the point of contact." (North Testim., JHICI, 7/13/87, at 129-30.) (4) "[T]his Marine lieutenant colonel was not making all of those decisions on his own. . . . I sought approval for everything that I did." (North Testim., JHICI, 7/8/87, at 226.)	
86/00/09-105 1984-86		NORTH'S CONTRA ACTIVITIES: AUTHORIZATION McFARLANE RESPONSE TO NORTH: "Mr. NUNN. There us a difference about knowing about and authorizing, and nuances of words, but of these activities that you did not know about, were there any of them that you would not have considered authorized? "Mr. MCFARLANE. Well. I think basically, Senator Nunn, that the only activities that I would have considered matters at least that I would have approved of were the kinds of things that Colonel North could offer to the contras on occasions where he visitied them in the field that didn't involve strategy or even tactics, but what he naturally, inevitably as a military expert, and he is, would have given, just because it would have been almost impossible not to. "Furthermore, that he was authorized and directed, in fact, to try to fashion some kind of civilian membership in the leadership, and also to try to come up with a scheme that would be appealing to the Congress and perhaps even to the Sandinistas for a compromise.	

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		""Mr. NUNN. I guess what I am asking is, if any of these things were unauthorized, could you tell us whether they were unauthorized, and which ones they were? "Mr. MCFARLANE. I think the easiest way to categorize it is this: The contras had to continue in some fashion to buy beans, bullets, Band-aids and hardware of war. The line is closed when, instead of their doing that, Colonel North does that. "Frankly, I would not even have objected strenuously if he told them where he thought they could get the best price and let them go and do it. "But it was my assumption that that was the nature of the relationship, going beyond that to serve as liaison for them in the chartering of aircraft, the hiring of third parties to sell arms, things like that, went over the line from advice to an operational role, and that was not authorized." (McFarlane Testim., JHICI, 7/14/87, at 221-22.)	
86/00/09-110 1984-86		NORTH'S CONTRA ACTIVITIES: AUTHORIZATION NORTH ACCOUNT: North testified on how and by whom his Contra-related activities were authorized: "Mr. NORTH. . . . I assumed that those matters which required the attention and decision of the President of the United States did indeed get them. I assumed that. "I never asked that. I never walked up to the President and said, 'Oh, by the way, Mr.	

President, yesterday, I met with so-and-so from Country Four.' Nor did he ever say, 'I am glad you had a meeting with Country Four and it went well.'

"Mr. NIELDS. Do you know whether or not the President was aware of your activities seeking funds and operational support for the contras from third countries?

"Mr. NORTH. I do not know. I assume that he did.

"Mr. NIELDS. What was the basis of your assumption?

"Mr. NORTH. Just that there was a lot going on, and it was very obvious that the Nicaraguan resistance survived. I sent forward innumerable documents, some of which you have just shown us as Exhibits that demonstrated I was keeping my superiors fully informed as to what was going on." (North Testim., JHICI, 7/7/87, at 226-28.)

86/00/09-150
1984-1986

NORTH'S CONTRA ACTIVITIES: WHAT THE PRESIDENT KNEW

POINDEXTER ACCOUNT:

"[The President] knew that Colonel North was the chief staff officer on Central America because of Colonel North's attendance at various meetings in which these issues, the general issues of Central America were discussed.

"But I did not get into the level of detail with him as to exactly how Colonel North was carrying out his charter to keep the contras alive.

"I generally knew those details, but frankly,

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		I didn't think those details were important to the President. The only thing that was important to him was that they were staying alive." (Poindexter Testim., JHICI, 7/15/87, at 138-39.)	
86/00/09-155 1984-86		NORTH'S CONTRA ACTIVITIES: AUTHORIZATION AND THE PRESIDENT'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. FOLEY. . . . You testified that President Reagan knew in a general way of your efforts and that of Colonel North and others on the National Security Council staff to assist the contras. "First of all--Colonel North also testified that he received specific authorization from his superiors to coordinate the procurement of arms for the contras during 1985 and 1986. "Did you authorize Colonel North to coordinate or otherwise participate in any fashion in the procurement of arms to the contras in 1985 and 1986? "Mr. POINDEXTER. Well, Mr. Foley, as I have testified before, these activities were ongoing when I took over as National Security Adviser in January of 1986; and my instructions to Colonel North were to continue on course, and that certainly would have included the coordination and discussion between the private parties, the private support network, and the contra leadership to get them the right kind of arms that they needed. "Mr. FOLEY. Did you tell the President that you were so instructing Colonel North?	

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		"Mr. POINDEXTER. I don't recall telling him that specifically. He knew that the contras were receiving arms and that they were receiving it from private parties and third countries. "Mr. FOLEY. Did he know that Colonel North was involved directly? "Mr. POINDEXTER. He knew that Colonel North was, as I have described him, the chief staff officer on the NSC staff with regard to coordination and liaison with the contra leadership." (Poindexter Testim., JHICI, 7/20/87, at 2-3.)	
86/00/09-160 1984-86		NORTH'S CONTRA ACTIVITIES: WHO KNEW NORTH ACCOUNT: "Mr. NIELDS. Who else in the Government was aware of the fact that you and others at the NSC were approaching third countries for the purpose of raising money for the contras? "Mr. NORTH. Well, the person most closely aware of it outside the NSC that I know of -- I talked to you about people I was in contact with -- was Director Casey, who[m] I had many conversations with regarding this, what we referred to as off-line conversations, ones that weren't going to be recorded or transmitted. And Admiral Arthur J. Moreau, United States Navy, knew a great deal about it, because he and I spoke a lot. ". . . . "Mr. NIELDS. Any other people in the CIA? "Mr. NORTH. I'm sure that Mr. Clarridge knew. He is the guy who introduced me to the leadership	

of the Nicaraguan resistance way back in 1984.

"There were other people at CIA who[m] I met with on a regular basis. I'm not saying that these people had intimate knowledge of my day-to-day activities like my superiors did, but certainly they knew that I was the guy that was getting things done.

"That's why they called me up, that's why there is a note to the effect that, hey, Ollie, you know, here these guys from Country whatever it is are talking about $2 million, why don't you go over and put the smile on them, maybe they'll kick in.

"Mr. NIELDS. How about the chief of the Central American task force?

"Mr. NORTH. Oh, I'm sure that he had a detailed grasp of--well, I say a detailed grasp--I'm sure that he had an adequate sense of what I was doing.

"Mr. NIELDS. And what is your basis for that belief?

"Mr. NORTH. We used to have meetings with the Restricted Interagency Group, we used to have secure conference calls, and on one occasion I can recall laying out for the group--in fact, I think it was after the $100 million had been voted by both Houses, hadn't been sent forward to the President--I can recall a meeting in an office in the Pentagon where I went down item by item by item the things that I was doing and asked them point blank whether or not I had to continue to do them to keep the resistance alive, because even though the money had been authorized and both bills had been passed, we couldn't get it forwarded to the President.

"And we went down item by item by item on my checklist of what I was having directed out each month or each quarter or each week to support the resistance, and I asked them point blank whether this should continue.

"Mr. NIELDS. Who was there?

"Mr. NORTH. . . . [Among others,] Mr. Abrams was there [but see 86/08/28-100, -110: Abrams' name not listed among those in North's notebook entry for the meeting], Mr. Armitage was there, I think Mr. Michael was there, I think General Moellering was there.

"Mr. NIELDS. Would you go through them for us, please, item by item, what it was you told this assembled group you were doing?

"Mr. NORTH. What I'm saying is I didn't say, look, on a given day I'm going to walk out and go talk to so and so about so much money. What they knew is that I was the person who was causing these things to happen. There was no doubt in their mind.

"That is why, when an airplane goes down in Honduras, they call me to get the bodies home and to pay the costs. That's why, when somebody needs something done, in the case of this contact right here you pointed out as part of Exhibit No. 79, they called me.

"These people knew what I was doing. They knew that it was a covert operation being conducted by this Government to support the Nicaraguan resistance."

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		". . . . "Mr. NIELDS. Did you discuss the re-supply operation? "Mr. NORTH. I think so. "Mr. NIELDS. Did you discuss efforts to obtain armaments? "Mr. NORTH. Probably. I am talking about aid to the internal opposition, food, medical supplied, et cetera. I think it was all on that list, tick, tick, tick, tick, tick. "Mr. NIELDS. Including munitions? "Mr. NORTH. I am not absolutely sure it says munitions, it might have just said logistics, air support, it might have just said certain things about the internal activities. You have got it, along with the list of names of people that were there at the meeting." (North Testim., JHICI, 7/7/87, at 228-33. See 86/08/28-100, -110 [North's notebook entry and executive session testimony on the meeting on Contras' status]. For C/CATF response, see 86/08/28-120.)	
86/00/09-180 DURING 1986		NORTH'S CONTRA ACTIVITIES: WHO KNEW NORTH ACCOUNT: North testified on what the Secretaries of State and Defense, the DCI and CJCS knew of his activities on behalf of the Contras: "[I]t was fairly well known certainly to those men--although they may all deny it--what I was doing. There came a time when the man at the top of that list [Shultz; see Ex. OLN 145], at the occasion of the retirement of Ambassador Robert	

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		Oakley, took me aside just weeks before I was summarily fired, put his arm around my shoulder and told me what a remarkable job I had done keeping the Nicaraguan resistance alive. "There is no doubt that they knew what I was doing . . . . "I didn't seek the credit and I didn't want the blame. I was simply willing to take the fall if somebody needed a political scapegoat. That is what I was willing to do." (North Testim., JHICI, 7/8/87, at 152-53. For Shultz response, see below at 86/00/09-183.)	
86/00/09-181 SOMETIME BETWEEN 1984 AND 1986		NORTH'S CONTRA ACTIVITIES AND THE FULL-SERVICE COVERT OPERATION: WHO KNEW NORTH ACCOUNT: "Mr. NIELDS. I am going to ask you a few questions now about who in the U.S. Government was aware of this full-service operation. Was Mr. Abrams at the State Department? "Mr. NORTH. Well, I certainly believed he was. "Mr. NIELDS. Did you talk to him about it? "Mr. NORTH. Yes. "Mr. NIELDS. Now, what aspects of it did you discuss with him? "Mr. NORTH. Well, let me describe the situation. You are in a meeting with the people who are in the business of formulating American policy and trying to coordinate what activities we can in the region. And the meetings goes, 'We desperately have got to something about X, Y or Z, Ollie.'	

"Now, as I just indicated to you a few moments ago, when Secretary Shultz took me aside at Ambassador Bob Oakley's retirement, I knew what he meant. He didn't have to say, 'You did a great job in the L-100 resupply the 9th of April.' He knew in sufficiently eloquent terms what I had done. And as I said to you, Counsel, I didn't walk around bragging. I didn't walk around saying, 'Hey, look at me.' I sought to avoid that. I did not seek the credit and I didn't want the blame.

"I am willing to accept the blame for what I did and I have told you a good bit of that here, and some of it has not been easy. I honestly believe that there were many, many people within the Executive Branch who had a grasp, if not in specific detail but in sufficient detail, that they knew who to turn to when they wanted something done. And so when the airplane being flown by Captain Bill Cooper and co-piloted by Buzz Sawyer, two of the braver people I have met on this planet, was shot down out of the skies over Nicaragua by a surface-to-air missile, I was the person called to raise the money to pay for the counselor services to retrieve their bodies.

"Mr. NIELDS. Who called you?

"Mr. NORTH. Mr. Abrams. Why would he turn to me if he didn't know I was doing it?"
(North Testim., JHICI, 7/8/87, at 167-68.)

86/00/09-183
SEPTEMBER OR
OCTOBER 1986

NORTH'S CONTRA ACTIVITIES: SHULTZ' KNOWLEDGE
SHULTZ RESPONSE TO NORTH:

"Mr. BELNICK. . . . Mr. Secretary, during his appearance before the panel, Colonel North testified that you were aware of his activities, knowledgeable about his activities in assisting the contras and in coordinating what was referred to during his testimony as a full service operation of resupply and lethal assistance to the contras during the period of the various Boland restrictions.

"Let me read to you some of the precise testimony that Colonel North gave on that point. . . . 'As I said yesterday, counsel, it was fairly well known, certainly to those men although they may deny it, what I was doing. There came a time when the man at the top of that list--' and he was pointing to a memo, sir, which had your name at the top of the list as a recipient--'there came a time when the man at the top of that list, at the occasion of the retirement of Ambassador Robert Oakley took me aside just weeks before I was summarily fired, put his arm around my shoulder, and told me what a remarkable job I had done keeping the Nicaraguan Reistance alive. There is no doubt that they knew what I was doing, and yet I didn't think it was necessary that the hundreds of staffers who would see that memo on the way to their front officers had a clear recognition of what I was doing.'

"In response to further questions by Mr. Nields on that same point, Colonel North then testified as follows: 'Now as I just indicated to you a few moments ago, when Secretary Shultz took me aside at Ambassador Bob Oakley's retirement, I knew what he meant. He didn't have to say you did a great job on the L-100 resupply on the 9th of April. He knew in sufficiently eloquent terms what I had done.'

"Did you, sir.?

"Secretary SHULTZ. No.

"Mr. BELNICK. Would you describe this event . . . as you recall it at Ambassador Oakley's retirement, at which time you spoke to Colonel North, if you did?

"Secretary SHULTZ. I hardly know Colonel North, although like everybody else in America, I feel I know him well by now.

"But I hadn't any direct contact with him other than seeing him occasionally in meetings [at] which he sometimes but not very much spoke, so I had no direct knowledge. But I had heard a lot about his devotion to the cause of the Nicaraguan freedom fighters and particularly from Mr. McFarlane on various occasions--but--various occasions that he had worked very hard to keep up the morale and work with the leaders of the Nicaraguan Resistance during the period when they weren't getting any support from the United States; and that that effort on his part, which was rather personal, had been an important element in keeping their spirits up. That was what mainly Bud McFarlane had told me, and I had no reason to doubt that; and, in fact, I think it is probably true.

"So we had a little--I think I gave Ambassador Oakley an award, and a little reception, and people were invited who[m] he had worked with. And Colonel North was there in a sort of a room in

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		the State Department where we do that, and I noticed him. And I went over. I don't remember putting my arm around him, but anyway as I do go around, particularly to people that I don't see much and say hello, and I did, and I said to him, I don't know precisely what, but that I knew that he had extended himself to keep up the morale of these leaders, and I appreciated it, and I do. "Mr. BELNICK. Sir-- "Secretary SHULTZ. But that was the sum and substance of it. To build on that remark this superstructure of implication is entirely unwarranted." (Shultz Testim., JHICI, 7/23/87, at 52-54 [quoting North Testim., JHICI, 7/8/87, at 152-53, 167].)	
86/00/09-190 SOMETIME EARLY IN 1986		NORTH'S CONTRA ACTIVITIES: THE RESUPPLY OPERATION CASTILLO ACCOUNT: Castillo testifying on his contact with North: "Mr. Barbadoro. Did there come a time when Colonel North suggested to you that he might be able to help in the resupply of the Southern Front troops? "Mr. Castillo. Yes. " . . . . "Mr. Barbadoro. What did he say that he thought he could do? "Mr. Castillo. . . .[I]t is my impression that he said that supplies could be delivered to the Sourthern Force. "Mr. Barbadoro. Did he say how that was going to be done? "Mr. Castillo. By air.	

"Mr. Barbadoro. Who was going to do it?

"Mr. Castillo. Private benefactors.

". . . .

"Mr. Barbadoro. Did he suggest to you what your role could be in assisting with this effort?

"Mr. Castillo. Passing information about drop zones and time which we would obtain from the commanders inside Nicaragua."

(Castillo Testim., JHICI, 5/29/87, at 51-52.)

86/00/09-195
1984-86

NORTH'S CONTRA ACTIVITIES: POINDEXTER'S KNOWLEDGE

POINDEXTER DEPOSITION ACCOUNT, Part 1:

"Q. Well, when you look at the whole picture of what North was doing [--] I don't know whether you heard Owen's testimony, but Owen is a friend of North, no reason for him to embroider. Secord gave testimony. He's also a friend of North, and he testified about what North was doing in the way of directing or supervising or guiding this operation.

"Is there anything that you've heard in the testimony that we've taken up to now that North was doing in terms of the contras that surprised you? Well, I'll make it even easier. Start with shocking you.

"MR. BECKLER: Can I answer that?

"MR. LIMAN: I'd like him to answer that because there are others in the Administration, including the President, who say I didn't know that he was doing this, and I want to know whether the Admiral was surprised by anything he's heard.

"MR. BECKLER: First of all, I'd like to

object on relevant [sic (relevance?)] to that. The Admiral's -- after the public hearings -- attitude about what he heard, about how he feels about it now is totally irrelevant to any legitimate inquiry the Senate is involved.

"MR. LIMAN: I can take him through every fact that has been testified to about what North was doing and ask him did you know this.

"MR. BECKLER: Well, do it, then. But to ask him what he's shocked about --

"BY MR. LIMAN: (Resuming)

"Q. Admiral, did you know he was using a man by the name of Owen[] as a courier? [See entries starting at 84/10/20-000.]

"A. I knew that.

"Q. Did you approve of it?

"A. In essence I did.

"Q. Did you know that he was disbursing cash to the contra leaders? [See entries starting at 85/04/00-400.]

"A. It would depend on the time frame. As I've testified on the second of May, I realized, he informed me at one point that he had cash. I told him either in that conversation or one shortly thereafter that I didn't think that was a good idea, there were perception problems involved with handling cash and that he should make arrangements some other way.

"So if it was during that time period I would have known it.

"Q. Did you know that that cash that he had was being used for contra leaders?

"A. I don't think I specifically knew that.

My understanding was it was being used for contra expenses and to the extent that that was a contra expense then yes, I would have known that.

"Q. Did you know, as testified by General Singlaub, that North actually approved weapons purchases for the contras? [See above at 85/04/25-200.]

"A. I was aware that he was working with the contra leadership and with Secord on what weapons they needed. I'm not sure -- I would not characterize what I knew about it as knowing he made the decision, but that--

"Q. Did you know the he was making decisions as to where contributions should be sent for the contras?

"A. Well, in effect I knew that, and that's why when Secretary Abrams called me I told him to talk to Colonel North.

"Q. And did you authorize him to do the things that I have just reviewed with you except for the keeping of the cash?

"A. Again, depending on time frame, when I was Deputy that would not have been my role to approve that or disapprove it, because Mr. McFarlane was following that more closely than I. I was aware of it. I agreed with it. I didn't have any problem with it. And when I became National Security Advisor I told Colonel North to continue on course."
(Poindexter, Senate Dep., 6/17/87, at 328-30. See id., 5/2/87, at 49-61 [Poindexter on North's Contra support role].)

86/00/09-196
1984-86

NORTH'S CONTRA ACTIVITIES: POINDEXTER'S KNOWLEDGE
POINDEXTER DEPOSITION ACCOUNT, Part 2:

[Continuing from preceding entry:]

"Q. Did you know that he [sc. North] was engaged in making efforts to find out where and how air drops could be made to contras within Nicaragua? [See 86/04/10-100, -110.]

"A. I was aware that he had a role in that. I'm not sure that he was the one that was making the decisions, and I'm still not sure of that point.

"Q. Well, I didn't quite say that he was making the decisions. Did you know that he was engaged in coordinating that effort?

"A. As I testified on the second of May, my view of his role was as a switching point in the whole process of supporting the democratic resistance during the period of the Boland Amendment. [See 84/10/03-160.]

"Q. Did you believe that the contras could have survived without someone playing the role that North was playing?

"A. I don't believe they could have.

"Q. Did you ever tell that to the President?

"A. That is a possibility, but I don't have a specific recollection of it.

"Q. You know, you used a different word here. Usually you say you don't have a recollection. This time you said that's a possibility.

"MR. BECKLER: You finally got a rise out of him.

"MR. LIMAN: There's something in the back of this man's mind and I want to know it.

"THE WITNESS: I was very proud and pleased to have an opportunity to work with Colonel North and I felt very strongly about the statement I made that I didn't think that the contras would have survived if it hadn't been for Colonel North, and I very likely would have passed that on to the President. But I don't recall a specific incident of doing it.

"BY MR. LIMAN: (Resuming)

"Q. You talked about the air field [redacted.] [See 85/12/09-040, -050, -051.] Did you know that North had had a role in that?

"A. Yes. I can't say that I knew all of the details of it, but I knew that he and [redacted] and Dick Secord and others had been involved in getting that air field put in and did discuss that with the President.

"Q. Did you know that he had arranged with Felix Rodriguez to get help from the Central American country where Felix was working?

"A. Yes. I would not put it, though, so much in terms of Felix Rodriguez, but I was aware that Colonel North had made some arrangements [redacted.]

"Q. And when you say made arrangements, did you know what kind of arrangements he made other than just arrangements?

"A. My recollection is that Colonel North had direct contact with [redacted.]

"Q. [Redacted.]

"A. [Redacted] and that frankly was contrary to what I have heard in hearings up here. That I think was more instrumental than anything that Mr. Rodriguez did.

"Q. How do you know that he had that contact with [redacted?]

"A. Because Colonel North told me that.

"Q. [Redacted] didn't tell you?

"A. [Redacted] didn't tell me, although I have met [redacted.]

"Q. But [redacted] never said that it was North who[m] he was working with?

"A. No, not that I recall.

"Q. Did North ever, to your knowledge, promise any of these neighbors of Nicaragua that if they helped the contras the United States would find ways of giving them assistance?

"A. I don't know of any specific incident like that.

"Q. Was that a matter of --

"A. I think that, you know, my general view was that it was in the interest of those countries [redacted.]

"Q. [Redacted.]

"A. [Redacted.] Of course during my trip through Central America with [redacted] in all of those countries I encouraged them to support the contras. [Redacted.]"

(Poindexter, Senate Dep., 6/17/87, at 330-34.)

86/00/09-231
1984-86

NORTH'S CONTRA ROLE: WHETHER THE PRESIDENT KNEW

POINDEXTER ACCOUNT:

"Mr. LIMAN. Did you ever discuss with the President that you wanted to keep North's role secret and what he was doing to support the contras in order to avoid more restrictive legislation?

"Mr. POINDEXTER. I don't think I ever said that."

(Poindexter Testim., JHICI, 7/15/87, at 153-55; JHICI Ex. JMP 46.)

86/00/09-240
1984-86

NORTH'S CONTRA ROLE: "SWITCHING POINT," CASEY'S VIEW, AND PRESIDENT'S AWARENESS

POINDEXTER ACCOUNT:

"Mr. LIMAN. Is it true you regarded Colonel North as the switching point that made this whole system work?

"Mr. POINDEXTER. Yes, that's correct.

". . . .

"Mr. LIMAN. Did you have a conversation with Director Casey where he said that the contras would not be alive without Colonel North?

"Mr. POINDEXTER. Yes. I almost said that, but I figured you were going to ask that as the next question.

"Mr. LIMAN. And you shared that view?

"Mr. POINDEXTER. Yes, I did. I certainly did.

"Mr. LIMAN. And I understand from your earlier testimony that you did not go into this degree of detail in briefing the President; is that so?

"Mr. POINDEXTER. I certainly did not brief the President in detail of all of Colonel North's activities. That would have been much too great a level of detail to cover wi[th] all of the other

arms control and U.S.-Soviet issues that we were constantly struggling with. But I do think that the President underst[ood] that Colonel North was instrumental in keeping the contras supported without maybe understanding the details of exactly what he was doing."
(Poindexter Testim., JHICI, 7/15/87, at 191-92.)

86/00/09-241
1984-86

NORTH'S CONTRA ROLE: "SWITCHING POINT," AND PRESIDENT'S KNOWLEDGE

POINDEXTER ACCOUNT:

"Mr. LIMAN. . . . [T]ell us as briefly as you can how it is that the NSC ended up with . . . whatever operational role it had in supporting the contras at the time that Boland was passed and in the months preceding it when the CIA ran out of money.

"Mr. POINDEXTER. I am going--I am a little vague on this because Central America was on Mr. McFarlane's agenda at the time, and although I was indirectly involved with a lot of aspects of it, it was his prime responsibility. I think that the whole thing evolved. As Colonel North testified, he participated in the Kissinger Commission, Bipartisan Commission on Central America, and Mr. McFarlane assigned him to make contact with the political leadership of the contras.

"As has been testified, we were concerned about the political cohesiveness of the contra organization. They were a group that had different views, and we saw that they needed to coalesce so that they would be stronger, not only in the field, but in terms of our ability to get support for them in Washington.

"And so Colonel North's involvement with this evolved over a period of time, and when the first Boland Amendment came in and the CIA and State and Defense could no longer be involved, as I have testified before, in effect, Colonel North became the switching point between a private network and the contras and also became the primary U.S. Government contact with the political leadership of the contras in order to keep them together.

"Mr. LIMAN. All right. Did you participate in briefing the President on Colonel North's role?

"Mr. POINDEXTER. I usually went to the 9:30 briefings with Mr. McFarlane during '84 and '85.

"Mr. LIMAN. Do you remember discussions of Colonel North's role?

"Mr. POINDEXTER. I frankly can't remember specific discussions on that. I think it was--it was covered in general terms. But I don't think that every time Colonel North made a trip down to El Salvador or Honduras that that would have necessarily been briefed to the President.

"Mr. LIMAN. All right. Admiral, the activities of Colonel North began before you became National Security Adviser, correct?

"Mr. POINDEXTER. They did.

"Mr. LIMAN. And then you authorized him to continue them during your tenure.

"Mr. POINDEXTER. That is correct. When I took over, I was, as I have testified, I was generally aware of what Colonel North was doing, and when I took over, I recall a brief discussion with him that he should continue on track.

"Mr. LIMAN. And Colonel North testified that he wouldn't do things on his own and that his activities were authorized by his superiors. You recall that?

"Mr. POINDEXTER. Yes, I do.

"Mr. LIMAN. And to the best of your information and knowledge, were his activities in support of the contras authorized by either you or Mr. McFarlane?

"Mr. POINDEXTER. During my tenure as National Security Advisor, I authorized, in general, the actions that I have heard described, and it was my understanding that Mr. McFarlane had authorized the activities that had taken place prior to December of 1985.

"Mr. LIMAN. And just so that we can identify what it is that you understood that he was doing, am I correct that you understood that Colonel North was looking for ways to support the contras through non-appropriated funds?

"Mr. POINDEXTER. Yes.

"Mr. LIMAN. Is it correct that you knew that Colonel North had secured the services of--or encouraged, let me put it that way--General Secord to set up the contra supply operation?

"Mr. POINDEXTER. I was aware that he did that, and I was certainly operating under the impression that Mr. McFarlane had approved that.

"Mr. LIMAN. And is it also correct that it was your understanding that Mr. McFarlane had directed Colonel North to oversee the transfer of Country Two's funds to the contras?

"Mr. POINDEXTER. Yes, very specifically. I

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		feel confident of that one." (Poindexter Testim., JHICI, 7/15/87, at 185-88. See id., 7/16/87, at 36-37 [Poindexter: "Colonel North was essentially the switching point that made the operation work after the Boland Amendment."].)	
86/00/09-242 1984-86		NORTH'S CONTRA ROLE: SWITCHING POINT POINDEXTER DEPOSITION ACCOUNT: "Q. With regard to Mr. North, you made a comment in your first deposition, May 2nd [see 86/00/09-243], when you were being questioned about Colonel North as the switching point in the contra program, I think you made a comment to the effect that the contras during that time frame could not have stayed alive, stayed going without the efforts of Colonel North. But as I recall it, you didn't expound on the reasons why. "Could you share with us some of the reasons why you feel Colonel North was indispensable during that time frame of financial aid being withdrawn by Congress to keeping the contras alive? "A. The Boland Amendment clearly prohibited CIA from providing the kind of advice and assistance that they had been providing after we encouraged them to band together to put pressure on the Sandinista government and to also help interdict arms. Those were both early objectives. And when the Boland Amendment cut the CIA out of the operation and cut off all funding, we were convinced with perserverence we could turn that around, but it was going to take time. And in	

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		order for the contras to survive as a viable force, they needed advice, assistance, they needed political help to get themselves organized so they could present a better picture to the American public, and without somebody on the NSC, which in my mind was not covered by the Boland Amendment, without somebody on the NSC staff providing that kind of function, I don't think they would have survived until we could get the hundred million dollars. They would have disbanded I think or been chopped up by the Sandinistas as soon as the Boland Amendment passed, the Soviets increased their arms deliveries, they started putting in the HIND helicopters. "Q. Is it your view Colonel North was principally responsible for keeping them going at that time? "A. That's my opinion. I think it is fair to say, although he can't be here to substantiate it himself, but Bill Casey agreed with me." (Poindexter, Senate Dep., 7/2/87, at 113-14.)	
86/00/09-243 AFTER OCTOBER 3, 1984		NORTH'S CONTRA ROLE: "SWITCHING POINT" AND "KINGPIN"; AND PRESIDENT'S AWARENESS POINDEXTER DEPOSITION ACCOUNT: "A. . . . Colonel North kept very close contact with the contra leadership, not only in terms of their logistics but also in terms of getting organized as a more effective political entity. He met with the democratic leadership often and I think was largely responsible for getting them to organize the United Nicaraguan Opposition Organization, getting them to focus on	

what their objectives were. The leaders, Adolfo Calero, Arturo Cruz, and Adolfo Robelo -- and sometimes you will see in my notes a shorthand AAA, and that refers to those three leaders. He maintained very close contact with them. Colonel North maintained close contact with Secord.

"So my view of the operation was that Colonel North was the switching point that made the whole system work. You know, what he got involved with directly or somebody else did is a little fuzzy in my mind, but clearly I viewed Ollie as the kingpin to the Central America opposition once the CIA was restricted.

"Q. How much did the President know of this?

"A. Well, that's a little hard to tell for me. I think the President was clearly aware that Colonel North was the primary staff officer on the NSC for the democratic resistance.

"Colonel North would have participated in probably several meetings with the President. Certainly when the AAA came up to meet with the President, Colonel North would be in those meetings. He would be in any NSC and maybe some of the NSPG meetings that were held on Central America, so the President would see his face on any event associated with Central America.

"Colonel North would -- once in a while -- would go up to the 9:30 meetings if he had something to report about Central America.

"The President is not a man for great detail, which I think everybody is aware. It wasn't a matter we would brief him in great detail on, where all the funds were coming from or exactly .

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		. . ." (Poindexter, Senate Dep., 5/2/87, at 62-64.)	
86/00/09-244 SOMETIME BETWEEN 1984 AND NOVEMBER 25, 1986	NORTH'S ACCESS TO THE PRESIDENT REGAN ACCOUNT: "Mr. BROOMFIELD. What sort of access to the President did Lieutenant Colonel North have? "Mr. REGAN. I have checked this very carefully in view of what has transpired. Lieutenant Colonel North, according to records furnished to me at the time while I was Chief of Staff, was at 28 meetings with the President, none of which was one-on-one, all of which involved more than two people. These were normally either meetings of the NSC itself or were meetings where he was addressing a group and the President came into the group or he was with somebody who had been brought in to brief the President on something. "He never had a one-on-one meeting with the President." (Regan Testim., JHICI, 7/30/87, at 208.)	NORTH'S CONTRA ACTIVITIES: WHAT THE PRESIDENT KNEW NORTH ACCOUNT: North testified on what the President (and North's superiors) knew about the resupply operation: "Mr. NIELDS. Was the President of the United States aware of your -- the fact that you were running a resupply operation in Nicaragua? "Mr. NORTH. Again, I have absolutely no idea of what the President's knowledge specifically was about what I was doing. I made every effort to keep my superiors fully apprised as to what I was doing and the effect that it was having in the region. And you have tons of documents taken from me, some of which I personally surrendered to you, and you alone and -- others that were taken from my files that make that abundantly clear. "I don't know to this day what the President knew I personally was doing. I hope to God that people were keeping him apprised as to the effect of it, because if we had not done it, there wouldn't have been a Nicaraguan resistance around when the Congress got around to putting up a hundred million dollars for it, sir." (North Testim., JHICI, 7/8/87, at 182.)	
86/00/09-245 1984-86		NORTH'S CONTRA ACTIVITIES: PRESIDENT'S AWARENESS AND THE TOWER BOARD'S CONCLUSIONS POINDEXTER ACCOUNT:	

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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		"Mr. LIMAN. . . . [Page III-24 of the Tower Report states,] 'The President told the Board on January 26, 1987 that he did not know the NSC staff was engaged in helping the contras. The Board is aware of no evidence to suggest that the President was aware of Lieutenant Colonel North's activities.' "Now, can you shed any light on the statement that the President did not know that the NSC staff was engaged in helping the contras based on your briefings, sir? "Mr. POINDEXTER. I don't, I have not talked to the President, Mr. Liman, and since I left the White House on the 25th of November, I have not discussed this issue with him. I don't know exactly how the question was phrased or exactly what the President had in mind when he provided that answer. "My understanding is that since that time, he has modified that position a little bit. "Mr. LIMAN. And one of your duties as National Security Advisor you said was to brief the President. Did you brief the President about the fact that the NSC staff was, to use the words of the Tower Report, helping the contras? "Mr. POINDEXTER. Again, as I testified yesterday, I want to be very careful, and I want to recall a specific conversation with the President before I would answer that in an affirmative way. I do not recall a specific conversation in that regard, but I don't think that's unusual, because I would not get into the details with the President as to who was doing	

what. The President knew that there was a Boland Amendment, he knew there were restrictions on the government. As he has said, I think, since November of 1986, that he did not feel that the Boland Amendment applied to his personal staff and that that was his feeling all along. I knew that.

"He knew the contras were being supported, and we simply didn't get into the details of exactly who was doing what. He understood that Colonel North was the chief action officer on Central America, Colonel North was always there when there were briefings in detail as to what was happening in Central America. Colonel North was there with various foreign officials that were involved, and so the President, I think clearly associated with it.

"Now, you know, the President doesn't recall apparently a specific briefing in which I laid out in great detail all of the ways that we were going about implementing the President's policy, and I frankly don't find that surprising. It would not, frankly, at that time have been a matter of great interest as to exactly how we were implementing the President's policy.

"Mr. LIMAN. But yesterday, in explaining why you felt that the authorization of the diversion by you was consistent with the President's policies and with something--that had you told him, he would have approved, you were basing that on your discussions with the President.

"Mr. POINDEXTER. That is correct.

"Mr. LIMAN. Not discussions of the diversion which make it clear.

"Mr. POINDEXTER. No.

"Mr. LIMAN. But discussions of supporting the contras.

"Mr. POINDEXTER. That is correct.

"Mr. LIMAN. To come back to the question that I asked before, did you ever ask the opinion of the Attorney General on whether the Boland amendment applied to the NSC?

"Mr. POINDEXTER. Not in any sort of formal way.

"Mr. LIMAN. Even informally?

"Mr. POINDEXTER. I can't recall. We conceivably could have discussed the Boland amendment at various points, but I don't have a sharp recollection of that.

"Mr. LIMAN. Do you have any recollection of the Attorney General telling you that the NSC staff was free from the prohibitions of the Boland amendment?

"Mr. POINDEXTER. I don't have any clear recollection of that. But also, I don't have any recollection that he said that it applied to the NSC staff.

"Mr. LIMAN. Did you ever tell the Attorney General that the NSC staff was assisting the contras?

"Mr. POINDEXTER. No. I don't recall that." (Poindexter Testim., JHICI, 7/16/87, at 37-40.)

86/00/09-247
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NSC CONTRA ACTIVITIES: PRESIDENT'S AWARENESS,
AND HOW THE NSC ROLE "EVOLVED"
POINDEXTER DEPOSITION ACCOUNT, Part 1:

"Q. Just for the record again, so that my

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		mind is clear on it, did you brief the President about the fact that the NSC was playing this role in the operations of support for the contras? "A. I can't recall a specific time in which I would have addressed that directly. Again, to put that—in perspective, the NSC involvement in the support of the contras started back in '84 when the CIA could no longer perform that function. You are going to have to ask Mr. McFarlane, if you haven't already, what he talked to the President about. "But when I took over in January of 1986, it was an ongoing program that I continued. I supported it. I supported it from the beginning. But I don't recall having a conversation with the President that I could cite to you now that would indicate that the President understood the breadth of what the NSC staff was doing. "Q. You talked about the -- "A. He knew we were keeping very close track of it and from things I would brief him on, we [sic] obviously knew a lot of things. "Q. You talked to him about the airstrip? We have already gone over that. "A. Yes. "Q. You talked about the fact that when the CIA pulled out, the NSC had to take on this role of supporting the contras. Was there a discussion and a decision actually made that it [should] happen that way, that that transition should take place? "A. I don't recall that. "Q. What I am getting at is that here you had	

a cause that was very important to the President and to the administration, the contras. Congress comes along and pulls the props out of the support that they were then getting, the CIA support. Was there not some planning done for who would take it over so that they would be viable if and when you got Congress to renew the appropriations?

"A. Well, you know that was so long ago when that happened. No doubt, we did have discussions on it. But without going back through the schedule, I really can't reconstruct exactly how the transition occurred.

"Q. You can't recall, as I understand it, any meeting at which, for example, Director Casey said, 'We are out; it's your ball'?

"A. It wasn't -- I don't think it happened that way.

"Q. It evolved?

"A. It evolved.

"Q. It was just -- there was a vacuum, and it was filled?

"A. That would be in my opinion a better description."

(Poindexter, Senate Dep., 5/2/87, at 221-23.)

86/00/09-248
1984-86

NSC CONTRA ACTIVITIES: WHO KNEW,
AND HOW THE NSC ROLE "EVOLVED"
POINDEXTER DEPOSITION ACCOUNT, Part 2:

[Continuing from preceding entry:]

"Q. Indeed, if you hadn't filled the vacuum, how would they have been able to continue?

"A. They wouldn't have survived, Mr. Liman. In fact, as I said earlier, I think that as I said, the cabinet officers, Director Casey, in particular, although he and I avoided talking about the subject directly, he clearly understood and I do recall an oblique comment one day that the contras wouldn't be alive today without Ollie North, or words to that effect.

"Q. That was Casey. Did Clarridge understand that you were playing this role at the NSC?

"A. Dewey Clarridge?

"Q. Yes.

"A. Again, we avoided talking about it. I would be very surprised if he didn't understand quite a bit.

"Q. [Redacted.]

"A. Probably.

"Q. Elliott Abrams?

"A. Probably.

"Q. Secretary of State?

"A. Probably.

"Q. Secretary of Defense?

"A. Probably.

"Q. What you are really saying to me is that if you didn't know, you'd have to make an effort not to know?

"A. Yes.

"And I think that you can go beyond the Executive Branch on that as well."
(Poindexter, Senate Dep., 5/2/87, at 223-24.)

86/00/09-249
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THE RESUPPLY OPERATION: NORTH'S ROLE AND THE PRESIDENT'S AWARENESS
POINDEXTER ACCOUNT:

"Mr. FOLEY. With respect to the air resupply

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		operation, did the President ever give specific authority for Colonel North to conduct the air . . . resupply operations? "Mr. POINDEXTER. Mr. Foley, I have gone over this question numerous times now and I have told you what I feel was the President's understanding. It did not include something as specific as directing Colonel North to conduct air supply operations." (Poindexter Testim., JHICI, 7/20/87, at 17.)	
86/00/09-250 1984-86		NORTH'S CONTRA ACTIVITIES: CIA AWARENESS AND NORTH'S DISCRETION POINDEXTER ACCOUNT: "Mr. LIMAN. Now, is it correct that the CIA and Director Casey, because of Boland, did not want to be told directly, as you understood it, about what Colonel North was doing? "Mr. POINDEXTER. Yes, that is correct. They wanted to be careful and Director Casey was very sensitive to this, they wanted to keep hands-off as much as they could. "Mr. LIMAN. And do you recall that there was an occasion when Director Casey spoke to you about the fact that Colonel North was indiscreet and had talked about funding and some other logistics support that he was providing for the contras? "Mr. POINDEXTER. Yes. I would not have recalled that if my memory had not been refreshed, but I believe he did. It was not a particularly big issue. "Mr. LIMAN. But it then became a big issue for Colonel North when he wrote a memo defending	

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		himself, which is in the exhibit book called 'who said what to whom'? "Mr. POINDEXTER. Right. "Mr. LIMAN. Saying he wasn't indiscreet? "Mr. POINDEXTER. Right. "Mr. LIMAN. But essentially the policy that was being followed at the NSC was to do nothing which would create a record of any kind of coordination with the CIA? "Mr. POINDEXTER. That is correct. We wanted to be very careful to live within the letter and spirit of the Boland Amendment. "Mr. LIMAN. And your view on the Boland Amendment, you have already expressed, was that it didn't apply? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. But is it-- "Mr. POINDEXTER. We didn't want to do something that would get the other departments and agencies into difficulty." (Poindexter Testim., JHICI, 7/15/87, at 192-94. See JHICI Ex. JMP 3 [North memo to Poindexter, "Clarifying Who Said What to Whom," 11/7/84]. See also above at 84/11/07-275, -300.)	
86/00/09-280 1984-86		NORTH'S CONTRA ACTIVITIES: CASEY'S KNOWLEDGE POINDEXTER DEPOSITION ACCOUNT: "Q. The last question I have for you is: You indicated in response to some questions from Mr. Leon that you viewed Colonel North's activities on Central America as being significant in keeping the movement alive. And you said you also thought Mr. Casey viewed his actions in the same manner.	

Did you ever discuss with Mr. Casey what Colonel North was doing in Central America?

"A. No.

"Q. Do you know whether he had knowledge you had of what Colonel North was doing?

"MR. BECKLER: If you know.

"THE WITNESS: I don't know that.

"BY MR. EGGLESTON:

"Q. You must have had some credit to your statement to Mr. Leon you thought Mr. Casey viewed Colonel North's actions in Central America in the same fashion. [See 86/00/09-242.]

"A. Yes.

"Q. What was that?

"A. There was one incident that made me realize that Director Casey either knew or speculated a great deal, and that was that Colonel North reported to me -- have I testified to this before?

"MR. BECKLER: It doesn't many [sic (make or mean?)] any difference. Go on.

"THE WITNESS: At some point, I can't remember exactly when it was, but Colonel North reported to me that Director Casey had stopped by his office one evening and told Colonel North that he wanted to purchase an aircraft for the contras with his own private money. Colonel North reported to me that he was a little surprised Director Casey had come to him, but that led us both to believe, or led me to believe, and I think Colonel North, that Director Casey was pretty aware of some of Colonel North's activities. It was not something that I openly discussed with Director Casey. As I said

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		before, I didn't want him to be in a position of having detailed knowledge and having to be evasive up here on the Hill." (Poindexter, Senate Dep., 7/2/87, at 125-26.)	
86/00/09-310 1984-86		THE RESUPPLY OPERATION: NORTH'S ROLE AND POINDEXTER'S AUTHORIZATION POINDEXTER ACCOUNT: "Mr. FOLEY. Colonel North testified that he received approval to conduct the air resupply of weapons to the contras inside Nicaragua. "Did you authorize Colonel North to direct the air resupply operation? "Mr. POINDEXTER. Again, Colonel North was given a very broad charter to carry out a mission and I did not micro-manage him. I don't think it is appropriate. "Mr. FOLEY. Did he tell you he was doing it? "Mr. POINDEXTER. I was aware that he had information on the times of delivery and I assume that he was indeed staying in close coordination with the private support effort. "Mr. FOLEY. In your method of managing subordinates, I think you've testified that you tend to give them responsibility and then not attempt to micro-manage them? "Mr. POINDEXTER. I give them authority. I maintain the responsibility, Mr. Foley. "Mr. FOLEY. So you assumed the responsibility for the resupply effort because you knew it was being conducted by Colonel North and you did not interrupt or countermand those efforts? "Mr. POINDEXTER. That's correct.	

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		"Mr. FOLEY. Did you authorize Colonel North to use the air supply to drop lethal supplies in Nicaragua? "Mr. POINDEXTER. There was no distinction in my mind in the private logistics support organization between lethal and non-lethal weapons or material. "Mr. FOLEY. Even-- "Mr. POINDEXTER. The whole question--excuse me--of lethal and non-lethal I think is a very difficult semantic question and it really only arose with regard to the $27 million appropriation. "Mr. FOLEY. And as far as you are concerned, that was not a very good distinction in law or in practice; is that correct? "Mr. POINDEXTER. I think, as you have all heard in the prior testimony here by Secretary Abrams, in practice, it was a very difficult issue to resolve as to what was lethal and what was non-lethal." (Poindexter Testim., JHICI, 7/20/87, at 10-12.)	
86/00/09-410 1984-86		NORTH'S CONTRA ACTIVITIES AND DIVERSION: CASEY'S KNOWLEDGE NORTH ACCOUNT: "Mr. LIMAN. When you briefed [Casey] on what you were doing to keep the contras alive, did he express his approval to you? "Mr. NORTH. He never once, that I can recall, in any way disagreed with any of the things that I was doing. In fact, he gave me a number of ideas how they might be done better, and I don't recall	DIVERSION: CASEY'S KNOWLEDGE NORTH ACCOUNT: "Mr. LIMAN. Did you talk to Director Casey about the financial needs of the contras? "Mr. NORTH. He probably knew more about it than I did, because he was getting the raw intelligence in. "Yes, we did. "Mr. LIMAN. And you told Director Casey about the fact that the Ayatollah would . . . help pay[]

him ever--I don't recall that he ever said don't do something you are doing. He often would suggest ways to do it better.

". . . .

"Mr. LIMAN. Did you talk to Director Casey about the financial needs of the contras?

"Mr. NORTH. He probably knew more about it than I did, because he was getting the raw intelligence in.

"Yes, we did.

"Mr. LIMAN. And you told Director Casey about the fact that the Ayatollah would . . . help pay[] for those needs?

"Mr. NORTH. Yes, I did.

"Mr. LIMAN. That was a matter . . . that had sort of a double irony, didn't it, in this sense, Colonel, that the Iranian Government had been providing arms to the Sandinistas, right?

"Mr. NORTH. You've been reading my papers, haven't you?

"Mr. LIMAN. Well--

"Mr. NORTH. That is right. They tried. And they also provided oil and credit. As I recall, it was about $100 million worth over several years.

"Mr. LIMAN. And indeed, one of the points that the President approved, in the terms of reference for Mr. McFarlane to talk to the Iranian Government representatives about, was that they should not give this support to the Sandinistas, right?

"Mr. NORTH. That is correct.

"Mr. LIMAN. And here you, a staff member of

for those needs?

"Mr. NORTH. Yes, I did.

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"Mr. NORTH. That is correct.

"Mr. LIMAN. And here you, a staff member of the NSC, succeeded in sort of reversing it all, getting the money for the contras, correct?

"Mr. NORTH. We did.

"Mr. LIMAN. And that was something that Director Casey must have admired very much?

"Mr. NORTH. He did.

". . . .

"Mr. LIMAN. Did you discuss with Director Casey that this use of the proceeds was a matter that could be a political bomb shell?

"Mr. NORTH. I think we probably did at a number of points. Certainly we discussed that

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86/00/09-415 1984-86		DIVERSION AND NORTH'S CONTRA ACTIVITIES: CASEY'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. COHEN. I think you indicated that you did not want Colonel North to talk to Director Casey about the contra activities so that Director Casey wouldn't have to report to Congress; is that correct? "Mr. POINDEXTER. That is correct. "Mr. COHEN. And you are aware that Colonel North did in fact discuss this on many occasions with Director Casey? "Mr. POINDEXTER. I heard his testimony. "Mr. COHEN. You also told Colonel North not to tell anyone about the diversion plans, and you	DIVERSION: CASEY'S KNOWLEDGE POINDEXTER ACCOUNT: See col. 2.

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		are aware that Director Casey was made aware of this almost from the very beginning? "Mr. POINDEXTER. Again, I heard Colonel North's testimony, yes." (Poindexter Testim., JHICI, 7/20/87, at 68-69.)	
86/00/09-420 SOMETIME BETWEEN 1984 AND 1986		THE RESUPPLY OPERATION: CASEY'S KNOWLEDGE NORTH ACCOUNT: "Mr. BOLAND. Now, you've testified in great detail about Director Casey's knowledge of and interest in your activities on behalf of the contras. "What degree of control did he exert over these . . . activities? "You testified that on one occasion in connection with another activity Mr. Casey told you to get a ship, and you got a ship. "Was there ever a time when Director Casey told you to do something that you didn't do it? "Mr. NORTH. I didn't get a lawyer soon enough. "Mr. BOLAND. Now, when you communed, as you put it, with Director Casey, did you give him details of the Secord contra resupply operation, the amount of weapons being delivered, the money available and expended, the number of aircraft and personnel involved, and so forth? "Mr. NORTH. Well, there were times when we did have detailed discussions. I don't recollect ever having specific knowledge of how much was left in any one account, as I've already testified, and I think my testimony ought to stand on those other things that the Director and I	

talked about in detail.

"Mr. BOLAND. . . . [W]as there someone else in the CIA you contacted when . . . it was not possible to meet with or talk with Casey?

"Mr. NORTH. Well, in my testimony and in the records that I turned over to the committee and those that were provided by the White House, it is very clear that I was in direct contact with the station chief in a Central American country." (North Testim., JHICI, 7/14/87, at 129-31.)

86/00/09-430
1984-86

THE RESUPPLY OPERATION: CIA KNOWLEDGE
NORTH ACCOUNT:

"Mr. BOREN. Who were the people at the CIA that had conversations with you that were of a nature that would have given them knowledge that you were involved with resupply, and you were passing intelligence on to the contras at that time?

". . . .

"Mr. BOREN. Was the . . . Deputy Director for Operations one?

"Mr. NORTH. He and I had conversations that are recorded therein [in North's notebooks.]

"Mr. BOREN. . . . [A]ll of those that are recorded in the notebooks are the ones? That is the list as far as you know . . . ?

"Mr. NORTH. As I indicated earlier, and in our discussion the other night in closed testimony [7/10/87], there were discussions with the Central American Task Force Chief.

"Mr. BOREN. Chief?

"Mr. NORTH. There were discussions with the

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		Station Chief in--two Station Chiefs or their deputies in two different Central American countries. "Mr. BOREN. Did anyone at headquarters in regard to those conversations with the Chiefs of Mission . . . for the CIA in two Central American countries . . . authorize you to make those direct contacts you made with those individuals? "Mr. NORTH. Director Casey. "Mr. BOREN. No one else? "Mr. NORTH. No, sir." (North Testim., JHICI, 7/13/87, at 225-27. For Clair George's response to North, see 84/10/03-860.)	
86/00/09-434 1984-86		NORTH'S CONTRA ACTIVITIES: CIA AWARENESS GEORGE ACCOUNT: "Mr. George. The information, as described to this committee or associated with this committee's hearings, that somehow Colonel North advised the RIG of his activities in some detail, I do not believe, in the context of the RIG that [redacted] attended. "[Redacted] kept me advised of the briefings at RIGs and never under any occasion in those two-and-a-half years did he say Ollie North sat down and briefed us about all his activities in Central America. "Mr. Boland. You testified, I think, today that you had some understanding of the kinds of things that North was doing for the contras. What was the basis for your understanding of the kind of things he was doing?	

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		"Mr. George. Mr. Chairman, I don't mean to be in any way less than fair. I find it amazing that anyone in this town who claims that they were involved, watched, followed or were concerned with Central [A]merica would then be shocked to find out that Oliver North was deeply engaged down there. It was a matter of public newspaper record. "Mr. Boland. Yes, but what I am asking, the question is about the kind of things that North was doing for the contras; and the reason, of course, the question is obvious, whether or not -- "Mr. George. My final assumption was that Colonel North somehow, somewhere, some place, some way was engaged in seeking support or knew about the seeking of private support for lethal aid to the contras, which would have been directly in opposition to your amendment of '84. "Mr. Boland. But the CIA was helping him? "Mr. George. The CIA was not helping him. "Mr. Boland. Obviously the CIA was helping him in [redacted.] "Mr. George. I did not know that. "Mr. Boland. That was his operation. "Mr. George[.] I did not know that." (George Testim., JHICI, 8/6/87, at 65-66. See 84/10/03-860 [further George testimony on CIA awareness of North's Contra activities].)	
86/00/09-435 1984-86		NORTH'S CONTRA ACTIVITIES: CIA AWARENESS C/CATF ACCOUNT: "Mr. Boren. How much did you tell Clair[] George about such things as North bragging at the	

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		RIG meeting, these kinds of things about North's activities and your suspicions about North's activities? [See, e.g., 85/07/25-260, -305.] "[C/CATF.] I don't know I told him specifics. I kept him briefed on the broad strokes of the private benefactors and what were [sic] happening and that Ollie was in and around causing these things to go down. "Mr. Boren. Do you know if you ever told him about Ollie's involvement, what Ollie had said about his involvement in the airstrip? "[C/CATF.] I don't think I did. I may have mentioned the air strip to him, I just don't recall whether I mentioned it to him or not." (C/CATF Testim., JHICI, 8/5/87, at 122.)	
86/00/09-440 SOMETIME BETWEEN 1984 AND 1986		THE RESUPPLY OPERATION: CIA INVOLVEMENT NORTH ACCOUNT: "Mr. BOLAND. . . . [W]hat was your understanding of the level of knowledge of CIA official Duane Clarridge in the Secord contra supply operation? "Mr. NORTH. My sense is that he had a general knowledge of the activities. "Mr. BOLAND. Did Clarridge assist the Secord operation in any way and, if so, in what way? "Mr. NORTH. I would say that his assistance was principally one of advising me on procedures. I don't believe he ever talked directly to any of those people involved and I don't believe he talked to any of the field officers involved. "I'm not certain of that, but I don't believe he did. But he certainly--he and I talked a good	

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		bit. I valued his expertise. "Mr. BOLAND. Are you aware of any efforts by Mr. Clarridge to provide the contras with weapons between June of 1984 and October of 1986? "Mr. NORTH. I'm talking off the top of my head now, Mr. Boland, but I do not know of any circumstances in which he was involved in those time periods with weapons." (North Testim., JHICI, 7/14/87, at 129.)	
86/00/09-460 1984-86		THE RESUPPLY OPERATION: CIA KNOWLEDGE NORTH ACCOUNT: North, responding to the characterization that he had indicated to the Chief of the Central America Task Force that he was aware of the Secord resupply operation, testified: "I'm not sure that I ever told the Central American Task Force Chief that it was General Secord. I did tell him about the facts of that resupply operation." (North Testim., JHICI, 7/14/87, at 123-24.)	
86/00/09-470 SOMETIME BETWEEN 1984 AND 1986		THE RESUPPLY OPERATION: CIA INVOLVEMENT NORTH ACCOUNT: "Mr. BOLAND. A senior CIA official in Central America has testified that during the time when military assistance to the contras was prohibited by U.S. law, he was active, at your request, in assisting the Secord lethal resupply operation, and other witnesses have testified that the assistance of this official was crucial to the success of the Secord operation. "Who in the CIA authorized you to bring this individual into the resupply network?	

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		"Mr. NORTH. Director Casey. "Mr. BOLAND. Who else in the agency did you know to be aware of his activities, besides Director Casey? "Mr. NORTH. Well, you've asked me who was I actually firmly aware--I'm sure that the Central American Task Force Chief was aware. I can't say that with absolute certainty, Mr. Boland, but it is--I'm pretty sure that he did, by virtue of the discussions I had over the course of time. "It is likely that . . . the Operations Director knew. But I can't state that with certainty." (North Testim., JHICI, 7/14/87, at 127-28. For Clair George's response to North, see 84/10/03-860.)	
86/00/09-500 SOMETIME BETWEEN 1984 AND NOVEMBER 25, 1986		NORTH'S CONTRA ACTIVITIES: ABRAMS' KNOWLEDGE NORTH ACCOUNT: After North testified that Abrams had contacted him after the crash of the Hasenfus plane to retrieve the bodies of Cooper and Sawyer and that he had supplied Abrams with a Swiss bank account number for the Brunei deposit for the Contras, North then summarized Abrams' knowledge of his Contra-related activities: "[H]e knew enough that he and I could talk about these issues, and I don't see anything wrong with him knowing that. Unless I am overly naive, it was appropriate for the Assistant Secretary for Latin American Affairs to be aware of what was going on. These were matters that affected the policy down there. If the Nicaraguan Resistance	

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		wasn't going to survive, he was going to have a first-class disaster on his hands." (North Testim., JHICI, 7/8/87, at 172.)	
86/00/09-520 SOMETIME BETWEEN 1984 AND NOVEMBER 25, 1986		NORTH'S CONTRA ACTIVITIES AND THE FULL-SERVICE COVERT OPERATION: DoS KNOWLEDGE NORTH ACCOUNT: In addition to Elliott Abrams, North testified that Jonathan Miller of the Office of Public Diplomacy was aware of the full-service covert operation, "at l[e]ast part of it." "Mr. NIELDS. Which part? "Mr. NORTH. The public diplomacy aspect of it and the effort to reach out and make contact with resistance leadership in a unity effort. He was certainly aware of that. "Mr NIELDS. Any others at the State Department? "Mr. NORTH. Not that I can recall off the top of my head." (North Testim., JHICI, 7/8/87, at 172.)	
86/00/09-600 SOMETIME BETWEEN 1984 AND NOVEMBER 25, 1986		NORTH'S CONTRA ACTIVITIES AND THE RESUPPLY OPERATION: DoD KNOWLEDGE NORTH ACCOUNT: "Mr. NIELDS. How about the Department of Defense, the Southern Command? Were there people there with whom you discussed your role in the resupply operation? "Mr. NORTH. Again, I don't think I made clear my role to people much below the level of Admiral Mor[eau], who had a detailed knowledge of it, until he departed for another assignment in	

Europe.

"I know that several people who worked for him on his staff had some knowledge of what I was doing. There were occasionally people who[m] I would see when I was traveling who were military officers when I would travel to Central America who were American military officers.

"The Ambassadors of those countries saw me -- on occasion, I am not saying they saw me every time or that I specifically sought them out on every trip, but they did see me.

"Mr. NIELDS. How about General Gorman?

"Mr. NORTH. I think General Gorman had a general idea of what I was doing. General Gorman had been the predecessor to Admiral Mor[eau] at the Pentagon. I visited with him frequently, but I don't recall with these people sitting down and saying, by the way, over the next 30 days here is what Ollie North intends to do.

"What is likely is I sat down and asked over the course of the next six months, do these sound like good ideas for the Nicaraguan resistance, and what is your advice on how they should carry those things out? I am saying by inference these people came to know my role in supporting the democratic opposition in Nicaragua, both military and political and in trying to engender support for it from countries in the region, as well as in Europe."

(North Testim., JHICI, 7/8/87, at 179-80.)

86/00/09-630
1984-86

NORTH'S CONTRA ACTIVITIES: ATTORNEY GENERAL'S AWARENESS

MEESE ACCOUNT:

"Mr. VAN CLEVE. Were you aware prior to the disclosures which have taken place in these public hearings of any aspect of Colonel North's private contra resupply project?

"Attorney General MEESE. I don't think I have--that I recall ever hearing about it in those terms or about that. I did know while I was in the White House that Colonel North was very active in promoting support in a general sense for the democratic resistance forces in Nicaragua, but as far as any specifics of a so-called resupply effort or anything like that, I don't believe that I recall anything of that nature.

"Mr. VAN CLEVE. Let me be a little more specific so that the record is clear on that. Were you aware that Colonel North may have been involved in providing military advice to the contras?

"Attorney General MEESE. I do not recall ever learning of that prior to these hearings.

"Mr. VAN CLEVE. Were you aware that Colonel North may have been involved in fund-raising activities related to the contras?

"Attorney General MEESE. I don't recall any specific instance in which I was aware of it. I think there were articles in the paper perhaps that I may have seen about Colonel North or others in White House addressing groups that were supportive of the Nicaraguan resistance, but I don't have any specific recollection at the time of a particular article or a particular instance or a particular involvement of Colonel North and

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		others." (Meese Testim., JHICI, 7/28/87, at 181-82.)	
86/00/09-635 1984-86		NORTH'S CONTRA ACTIVITIES: ATTORNEY GENERAL'S AWARENESS MEESE ACCOUNT: "Mr. COURTER. Oliver North testified when he was here for six or seven days about the fact that his activities with respect to Central America and the Democratic Resistance there was [sic] --I am not sure whether he said common knowledge, but he indicated a lot of people knew about it in the administration, and it was really not a surprise when George Shultz came up to him during a retirement dinner, he put his arm around him, came up to him and said, 'I know what you are doing, you are doing a great job.' [See above at 86/00/09-180 through -183.] "When Elliott Abrams wanted to get two bodies of Americans killed in the Hasenfus flight back to the United States, he knew enough to call Oliver North. Can you confirm that? Was Oliver North's workings, support, coordination of the resistance in Central America, common knowledge in the Cabinet and in the administration? "Attorney General MEESE. Mr. Courter, I would say there was probably general knowledge that he was working in the general field of Central America. I know that he certainly seemed to participate in a lot of activities relating to the support of the freedom fighters there. As to how deeply he was involved or what his duties are, I didn't have any specific knowledge of that. He	NORTH'S ROLE IN THE IRAN INITIATIVE: ATTORNEY GENERAL'S AWARENESS MEESE ACCOUNT: "Attorney General MEESE. . . . He [sc. North] was doing a whole group of things. He was the head of what I believe was called the Political Military Section of the NSC staff, and that encompassed a lot of things, such as the Central American operations. It was obvious he was involved, at least by November, in the Iranian Initiative. I knew that he had been involved in efforts to locate the hostages. So there w[as] a number of things he was doing that had to do with that particular aspect of the National Security Council staff." (Meese Testim., JHICI, 7/29/87, at 210-11.) See col. 2.

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		was doing a whole group of things. He was the head of what I believe was called the Political Military Section of the NSC staff, and that encompassed a lot of things, such as the Central American operations. It was obvious he was involved, at least by November, in the Iranian Initiative. I knew that he had been involved in efforts to locate the hostages. So there w[as] a number of things he was doing that had to do with that particular aspect of the National Security Council staff. "Mr. COURTER. If someone asked you the question a few months ago, before all this was revealed, that [sic] asked you the question whether Oliver North, as far as part of his responsibility, was working in conjunction with private efforts to help the Democratic Resistance, you would have said yes, you were aware of that? "Attorney General MEESE. I think I probably would have said yes, I am generally aware of that, or it is entirely probable. I probably wouldn't have had any specific information that he was doing that." (Meese Testim., JHICI, 7/29/87, at 210-11.)	
86/00/09-690 JULY 29, 1987	THE FULL-SERVICE COVERT OPERATION: ATTORNEY GENERAL'S UNAWARENESS MEESE ACCOUNT: "Mr. COHEN. When did you first learn about the off-the-shelf, self-sustaining fund that was designed for the use of other covert activities? "Attorney General MEESE. I'm sorry. "Mr. COHEN. The off-the-shelf,	THE FULL-SERVICE COVERT OPERATION: ATTORNEY GENERAL'S UNAWARENESS MEESE ACCOUNT: See col. 1.	THE FULL-SERVICE COVERT OPERATION: ATTORNEY GENERAL'S UNAWARENESS MEESE ACCOUNT: See col. 1.

self-sustaining fund to be set up by the sale of American weapons to the Iranians through the so-called agents of [sic (or?)] middlemen--inflate the price and use a portion of the price to go to the contras and other operations.

"When did you first learn about that?

"Attorney General MEESE. I would think that you are talking now about the diversion scheme?

"Mr. COHEN. Beyond the diversion scheme, I am talking about that fund sitting over there in a Swiss account which had funds for other projects that Bill Casey mentioned to you about the allegations coming from Furmark and Canadian businessmen dealing with the other projects.

"Attorney General MEESE. Bill Casey never talked to me about any fund. All Bill Casey told me on the evening of the 22nd of November was that these people were threatening to say that money had been used for other projects.

"As far as a fund in terms of what you talk about, off-the-shelf funding and all that sort of thing, I don't believe I learned any of those details to the extent I know them until these hearings commenced and a great deal of that information was portrayed here.

"Mr. COHEN. Is it fair to say if such a fund were set up, it would require notice certainly to the President and to the Congress of the United States if covert activities were being carried out using those or other funds?

"Attorney General MEESE. Yes, sir." (Meese Testim., JHICI, 7/29/87, at 51-52.)

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86/00/09-700 SOMETIME BETWEEN 1984 AND NOVEMBER 25, 1986		NORTH'S CONTRA ACTIVITIES AND THE RESUPPLY OPERATION: VICE PRESIDENT'S UNAWARENESS NORTH ACCOUNT: "Mr. NIELDS. How about the Vice President, was he aware of your role in the contra resupply operation? "Mr. NORTH. If he was, I didn't tell him. "Mr. NIELDS. How about people in his office? "Mr. NORTH. Well, I don't know what -- the only other person I ever talked to in his office with any rate of frequency was Mr. Don Gregg, and I don't know what he knew. He had much more frequent contact with another person who was down there." (North Testim., JHICI, 7/8/87, at 177. See id., 7/10/87, at 170 [Vice President unaware of off-the-shelf account for the Contras].)	
86/00/09-811 BETWEEN 1984 AND NOVEMBER 25, 1986		NORTH'S CONTRA ACTIVITIES: CIA KNOWLEDGE NORTH EXECUTIVE SESSION: "Mr. Liman. Colonel, we discussed at the end of the day in the public session what was apparent from the record which is that the CIA wanted to maintain total deniability with respect to your operation, and I would like you in your own words to tell us what did [redacted] know from conversations with you about what you were doing or was this a subject that the two of you regarded as out of bounds and you ought not to talk about? I would like the committee to get a sense of that in your own words. "Mr. North. In the case of [redacted] I don't	

know the full extent of his knowledge. He knew to turn to me when something needed to be done that they couldn't do. He was a participant in the meeting that had that list of activities [see 86/08/28-100] that I pointedly asked whether or not we should continue it at the point in time when the appropriations had been passed in both Houses, but the bill had never come to conference.

"I don't know that he knew, for example, that there were so many aircraft available at a certain point. I mean he did not have, I don't think [sic], the detailed operational knowledge that I had unless it was coming in from reports out of field. I believe he knew that I was communicating privately with one of his station chiefs after the point in time when intelligence sharing was authorized by my recollection.

"Mr. Liman. What about before it was authorized, how much cooperation were you getting from the station chiefs?

"Mr. North. Well, I think enough, you know, when Ollie North would make a trip everybody knew Ollie North was a National Security Council staffer. Ollie North would go down and sit down with ambassadors, and military people, and CIA personnel, and we would talk about the war. We would talk about what could be done, and what couldn't be done, and what they saw was needed.

"Ollie North would come back and act on it. I don't recall ever specifically saying, with the possible exception of the station chief in [redacted] and maybe one other person in [redacted] on one occasion, here is what I am going to do tomorrow, or here is what I am going to cause to happen tomorrow. And I didn't have, I don't recall [sic], that many very, very specific operational discussions with [redacted] except on the occasion of the West German hostages, and one other occasion, we were trying to get some wounded Indians to safety, in which they turned to me to see if we could make those things happen. And we did.

"Mr. Liman. And what about Clarridge, any discussions with him about what you were doing?

"Mr. North. Philosophically, yes.

"Mr. Liman. What does that mean?

"Mr. North. Well, again, Clarridge went through three jobs while I was there. He was head of the Central American Task Force. He was the guy who did the hand-off to me in 1984, who then moved to the European Division, and then he moved to head of [redacted.] So we would have philosophic discussions. We would have, you know, I would say -- and, again, there is a man I have enormous admiration and respect for. I would talk about operational techniques and things like that, but I don't recall ever clearing a specific activity with him.

"Mr. Liman. When you spoke to the DCI about what they were doing were they one-on-one meetings?

"Mr. North. Almost always. There were occasions after the Iran initiative George Cave would be there.

"Mr. Liman. I am sticking to Central America[], for a moment.

CHRONOLOGY OF THE
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		"Did he ever impress upon you he didn't want some of the others to know. "Mr. North. Yes, he didn't want his officers in any way involved, or engaged, or whatever, and I told him what I needed after I talked to Ambassador Tambs and how we needed to approach the situation [redacted] and he gave me the go-ahead." (North Testim., JHICI, Executive Session, 7/9/87, at 33-36. See entries starting at 86/00/09-410 [further North testimony on CIA and DCI Casey's awareness of North's Contra activities].)	
86/00/09-812 1984-86		NORTH'S CONTRA ACTIVITIES: CIA KNOWLEDGE NORTH EXECUTIVE SESSION: "Mr. Boren. . . . You mentioned Director Casey had indicated to you that he wanted to keep the CIA officials completely out of the channels of your operation, he didn't want you making contacts with them in terms of obtaining intelligence during the time the intelligence ban was in effect. Did I understand you correctly? "Mr. North. No, what I said was Director Casey didn't want me involving his officers in the operation. There was nothing wrong with my asking his officers for intelligence. "Mr. Boren. Even if it was during the time there was to be an intelligence ban? "Mr. North. Let me be very clear. The NSC can ask for, as the congressional committees, your committee, any intelligence they want, and there was nothing wrong with that. What I was chastised for at one point was going beyond simply asking for intelligence and describing in some detail to	

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		one of his officers specific activities that were being undertaken by what I have referred to as Project Democracy. That word got back to Director Casey, he called the Admiral or Bud, whoever it was at the time, and I got my tail chewed for divulging what I was engaged in. "Mr. Boren. It would have been a violation if you had gone to the CIA and said 'I want you to tell the --['] what he was saying to you was -- "Mr. North. You collect all you want, Ollie. "Mr. Boren. You are not to tell them what you are collecting it for or put them directly in touch with the private group? "Mr. North. Precisely. "Mr. Boren. Was there any exception[] to that? You mentioned you did go directly to the Chief of Station in [redacted] at one point. "Mr. North. Yes. "Mr. Boren. And that was, I gather, the situation where -- "Mr. North. Yes. "Mr. Boren. Is that the only situation in which you violated that stricture that Director Casey had put upon you? "Mr. North. As I indicated, Senator, there were other occasions where I sat down with, for example, [redacted] and, as I admitted in my testimony yesterday, with Dewey Clarridge and went beyond the very, very structured limits, yes. "Mr. Boren. And let them know, in essence, why it would have been you would have been requesting the nature of your operation. "Mr. North. Very definitely.	

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		"Mr. Boren. Did you ever do that with Clair[] George? Give him the overall -- "Mr. North. I am sure that Clair[] George had a fairly good sense of what I was doing, yes, sir. "Mr. Boren. Were there any others, other than those three plus Director Casey and the Chief [o]f Station in [redacted,] that you can recall? I think you understand I have an institutional responsibility -- "Mr. North. I understand you do, sir. And I may have talked to, in some detail, to others, but I am not, here at 1800 in the evening, I am not remembering specifically, but yes, probably. "Mr. Boren. But not any others specifically by name you can recall? Assistant Director, Deputy Director level? "Mr. North. I don't know what Mr. Gates knew. Mr. Gates was part of the lunch I had, and my records reflect that is when Director Casey raised the Furmark problem. "Mr. Boren. That was the first time he recommended that? "Mr. [North]. I think so." (North Testim., JHICI, Executive Session, 7/9/87, at 61-64. See 84/11/07-275 [North memo to McFarlane, "Clarifying Who Said What to Whom," 11/7/84].)	
86/00/20-030 SOMETIME IN 1986		NORTH'S "JOKES" (1) THE AYATOLLAH'S MONEY SECORD ACCOUNT: "Mr. SECORD. Well, I have no first-hand knowledge about what the President knew or didn't	NORTH'S "JOKES" (1) THE AYATOLLAH'S MONEY SECORD ACCOUNT: See col. 2.

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		know as I think everyone knows, I never spoke with the President on this. I was told on a number of occasions and I even recorded it once in a December 1984 memo to myself that the President was informed of my participation in the contra and later in the Iranian operations. I had talked with the Director of the CIA, who was a close confidant of the President. "I assumed that he was passing information to him. I talked with two different National Security Advisors in the two years in question. I was told by Admiral Poindexter in January of 1986 that not only was he pleased with the work that I had been doing, but the President was, as well. "On a few occasions I heard Oliver North off-hand and I think in a humorous vein remark that in some conversations with the President he had mentioned that it was very ironic that some of the Ayatollah's money was being used to support the contras. Whether he actually said this to the President or whether he was joking with me, I am not sure. It was not said to me in a way that I took it as a joke." (Secord Testim., JHICI, 5/6/87, at 137-38.)	
86/00/20-040 MID TO LATE SUMMER 1986		NORTH'S "JOKES" (1) THE AYATOLLAH'S MONEY NORTH ACCOUNT: North responding to Secord's statement that the President had heard North joke about the Contras' receiving the Ayatollah's money: "Mr. NIELDS. . . . Did you tell General Secord that you and the President had joked about	NORTH'S "JOKES" (1) THE AYATOLLAH'S MONEY NORTH ACCOUNT: See col. 2.

the fact that the Ayatollah was providing funds to the contras?

"Mr. NORTH. I do not recall specifically - telling General Secord that joke or story, but I do not joke with the President, if I may amplify on that.

"As I recall, there was a meeting in the mid-to-late summer of 1986 in which the discussion focused on the fact that the Congress, both Houses, had voted $100 million to aid the Nicaraguan resistance and that the $100 million, appropriations and authorizations, had to be sent forward to the President and for whatever reason, the Congress was unwilling to send a coordinated bill forward for the President's signature.

". . . .

"At the conclusion of that meeting, on leaving -- at the door as I recall, I said to the back of Admiral Poindexter, 'It looks like the Ayatollah is going to have the help the Nicaraguan Freedom Fighters a little longer,' or words to that effect.

"It was an aside. I do not believe the President could have heard it, and I exaggerated that to General Secord, and I did so because General Secord was in my estimation exhausted.

"He had been recruited by me to assist this country in carrying out what initially was one and then a multiple of covert operations.

"I had brought him into these, and as a consequence, he was literally exhausted. And it was an enticement. It was an exaggeration on my part that I had told the President that little

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		joke, and I had not. "Mr. NIELDS. Now, first you said that you don't recall whether you said that to General Secord and then you said you exaggerated to General Secord that you had joked with the President. "Which is it? "Mr. NORTH. I guess maybe the way I should have characterized it, Counsel, if I told it to General Secord that way, it was done as an enticement. "Mr. NIELDS. So you are not denying that you said that to General Secord? "Mr. NORTH. Absolutely not. "Mr. NIELDS. So what you are telling us is that you falsely told General Secord that you had such a discussion with the President? "Mr. NORTH. Yes." (North Testim., JHICI, 7/7/87, at 66-68.)	
86/00/20-050 MID-MAY 1986		THE AYATOLLAH'S MONEY JOKE POINDEXTER ACCOUNT: "Mr. LIMAN. You testified that you have had many many conversations with the President of the United States. "Mr. POINDEXTER. Yes, I did. "Mr. LIMAN. And you knew him to be a person of good humor? "Mr. POINDEXTER. Yes. "Mr. LIMAN. Was there ever a moment when you were tempted to tell him about the fact that the Ayatollah, instead of supporting the Sandinistas, was giving money for the contras?	THE AYATOLLAH'S MONEY JOKE POINDEXTER ACCOUNT: See col. 2.

"Mr. POINDEXTER. Yes, Mr. Liman, there was. There was one point that I was very sorely tempted to tell him, but I didn't. And, as I recall, we were aboard Air Force I on the way back from the Economic Summit in Tokyo, and in fact I think you have an exhibit that was prepared about that time that is pertinent here. And the President had just finished reading a book by a man named Netanyahu, who is presently the Israeli Ambassador to the United Nations. . . . Ambassador Netanyahu has written a book on combatting terrorism, and the President had been reading that book during the trip over to the Economic Summit, and he finished it on the way back, and he had a discussion with me on the airplane--this would have been in May, the middle of May, 1986--and we had received via facsimile from the White House Office a paper that laid out the status of our legislative plans for getting the 100 million, and one of the options in the paper was that if we were unable to get the 100 million, to pull out, drop our support of the contras.

"And I had discussed that with the President, and he had been very adamant at the time. He says, look, I don't want to pull out our support for the contras for any reason. This would be an unacceptable option, isn't there something that I could do unilaterally?

"And by that, I took it to mean he could do on his own that didn't require congressional approval. And I was sorely tempted at that point to tell him what we had working, but I thought better of it and did not.

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		"Mr. LIMAN. And that was because you realized this would be so controversial? "Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/15/87, at 128-30. See JHICI Ex. JMP 45 [Poindexter PROF to Fortier, 5/2/86, quoting the President as having said on 5/1/86, "If we can't move the Contra package before June 9, I want to figure out a way to take action uni-laterally to provide assistance."]. See also 86/00/03-780 [Poindexter on the Ayatollah's money joke].)	
86/00/20-130 SOMETIME IN 1986		NORTH'S "JOKES" (2) THE PRESIDENTIAL PARDON SECORD ACCOUNT: "Mr. SECORD. . . . I believe these men were doing the President's bidding and trying to do the best job they could to live within Boland. "I am on the record on that. That is what I believe. "Mr. LIMAN. Now, you testified that you considered what was happening lawful and that Colonel North considered it lawful, correct? "Mr. SECORD. Yes, sir. "Mr. LIMAN. Is it a fact that Colonel North told you that if the facts ever came out about what he was doing, he would get a pardon? "Mr. SECORD. He joked about that in the same vein that he did in the comment that I made yesterday with respect to the ayatollah. "Mr. LIMAN. What did you think in your own mind that he was doing wrong that would lead him to even think about a par[don] --	NORTH'S "JOKES" (2) THE PRESIDENTIAL PARDON SECORD ACCOUNT: See col. 2.

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		"Mr. SECORD. Nothing other than the fact when that came up I laughed at him and said that's ridiculous. What are you talking about? We have discussed repeatedly no laws are being broken. We are doing everything we can to live within the law, so it is a non sequitur." (Secord Testim., JHICI, 5/7/87, at 115-16.)	
86/00/20-200 SPRING OF 1985		NORTH'S "JOKES" (3) GOING TO JAIL OWEN ACCOUNT: Owen testifying on the spectre of jail: "Mr. EGGLESTON. Mr. Owen, throughout the--particularly the spring of 1985, . . . did there come a time when you would talk or joke with Colonel North about whether or not you were all going to go to jail for your activities? "Mr. OWEN. There were a couple of occasions that we would laugh about it and joke, yes. ". . . . "Mr. EGGLESTON. And was part of the reason that you would joke or talk about whether or not you were going to jail . . . the generally furtive and secretive nature of what it was that you were doing? "Mr. OWEN. Sir, I am not trained as a secret agent, and I haven't been through any of this before. When you are involved in something that is new and different from changing traveler's checks to traveling with documents to providing funds to different people, I think that there is always a sense of nervousness about it. "We were in a politically charged atmosphere.	

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		Obviously the Congress was deeply divided. The feeling was that should our efforts be found out, there would be people who would want to try and find something illegal and try and throw us in jail. "But quite frankly, in my personal view, I wasn't that concerned. . . . I felt that I was working with a member of the National Security Council, someone who had access to the President of the United States, and believed it was the right thing to do." (Owen Testim., JHICI, 5/19/87, at 42-44. See id., 5/19/87, at 46-47 [Owen on whether the Boland Amendment covered his or North's activities: "It was very questionable. I think everyone knew we were walking a very fine line."], 49-50.)	
86/00/20-205 SOMETIME BEFORE 1986		NORTH'S "JOKES" (3) GOING TO JAIL NORTH ACCOUNT: "Mr. COHEN. . . . [A]ccording to Time last week, it said that someone who was associated with you, on one occasion you held up a copy of the Boland law and said, 'This is the law I am violating and I could go to jail.' "I think from your testimony yesterday or the day before, you said that's false. "Mr. NORTH. It is hogwash, sir." (North Testim., JHICI, 7/13/87, at 149.)	
86/00/60-100 SOMETIME AFTER 1981	NORTH'S RELATIONSHIP WITH CASEY NORTH ACCOUNT: "Mr. NORTH. It was instinctive, counsel, that		

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UNTIL NOVEMBER 25, 1986	from my earliest days of contact with the Director, that his relationship and mine not be something that was publicly bandied about. And until these hearings, I don't believe that most people in Washington knew that the Director and I communed as often as we did. "Mr. LIMAN. Well, how often did you commune? "Mr. NORTH. I would say several times a week. "Mr. LIMAN. Where? "Mr. NORTH. Most often on the telephone, but we would meet in his office. Occasionally in mine. Occasionally out at the office in Langley. "I can recall a couple of meetings, if not more, in his office at the Intelligence Community Building across the street. I can recall meetings at his home. I can recall riding in the car with him. I can recall airplane trips with him. "We met enough to be able to coordinate sufficiently and that I could seek his guidance on a number of things. "Mr. LIMAN. He was a person who[m] you could confide in? "Mr. NORTH. I did. "Mr. LIMAN. A person whose advice you valued? "Mr. NORTH. Inestimably. "Mr. LIMAN. Were you on a first-name basis? "Mr. NORTH. He was with me. I called him by his first name, Mr. Director. [Sic.] I called him Mr. Casey to his face. I occasionally perhaps called him Bill, and I--when my father died, counsel, there were three people in the Government of the United States that expressed their condolences--one was Admiral Poindexter, one was		

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	the Vice President of the United States, and the other one was Bill Casey. "Bill Casey was for me a man of immense proportions and a man whose advice I valued greatly and a man whose concerns for this country and the future of this land were, I thought, on the right track--I may be wrong, but I don't think history will bear that out--and I took his advice to heart. "Mr. LIMAN. Did you look upon him, in a way, as a boss? "Mr. NORTH. I've heard that said. I don't think so much as a boss, but I know who my superiors are and I know the chain of command, and he wasn't a boss so much as he was a personal friend and an adviser and a person with whom I could consult and get good, solid advice, and a person to whom I could turn for support." (North Testim., JHICI, 7/9/87, at 157-59. See generally id., 7/14/87, at 131 [North: "On the number of occasions I walked into the Director's office or when meeting with the Director and he would tell me to put away the notebook, that if I couldn't remember it, I didn't belong in the business."].)		
86/00/60-115 AFTER 1981 UNTIL NOVEMBER 25, 1986	NORTH'S RELATIONSHIP WITH CASEY McFARLANE ACCOUNT: "Mr. COURTER. Did you . . . have conversations with Director Casey about the conversations that he had with Oliver North? "Mr. MCFARLANE. No, sir, and that has been kind of a curious issue in all this, because I		

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	find it a little troubling to imagine that the Director was as engaged--I guess maybe partly because it is embarrassing to me if that is true. But the question that comes to me if Bill Casey was going to do all the things he was charged with, why didn't he tell me? Was I a threat? I don't understand. He met with me every week and his Deputy was with him and so was mine, so they weren't one on one meetings. But he never told me anything about Ollie North except to complain, and I got the impression that it was for John McMahon's benefit, that Bill's heart really wasn't in it. "Mr. COURTER. So you knew North met with Casey and he would explain once a week what the substance of that conversation was but you didn't have direct communication with Casey about the substance matter of their meetings? "Mr. MCFARLANE. No, sir." (McFarlane Testim., JHICI, 7/14/87, at 260-61.)		
86/00/60-120 AFTER 1981 UNTIL NOVEMBER 25, 1986	NORTH'S RELATIONSHIP WITH CASEY McFARLANE RESPONSE TO NORTH: "Mr. RUDMAN. . . . [T]here was a sense amongst the members of this committee that Colonel North, although he was working for you for a time and then for Admiral Poindexter, there is a very strong sense which was referred to in your initial testimony before our committee that maybe the line wasn't too clear between Mr. Casey and Colonel North, but it would appear from all that is involved here that he had a very unusual working relationship with the Director of the CIA,		

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	considering he worked for you. "Is that an accurate statement? "Mr. MCFARLANE. It is really speculation on my part. I really don't know what the relationship was. "Mr. RUDMAN. It would appear that he got authority from Mr. Casey to do things if he didn't get it from you, according to his testimony. "Mr. MCFARLANE. Senator Rudman, I understand what you are saying. I just have no personal basis for confirming or denying it. I don't know whether that is so or not." (McFarlane Testim., JHICI, 7/14/87, at 209-10.)		
86/00/60-130 UNTIL NOVEMBER 25, 1986	NORTH'S RELATIONSHIP WITH CASEY POINDEXTER ACCOUNT: "Mr. LEON. With respect to Director Casey, you have testified, I believe, correct me if I am wrong, that you believe Casey had a supervisory role or some kind of role with respect to the Iran initiative after that January 17th finding was signed; is that accurate? "Mr. POINDEXTER. I think more than a supervisory role. The finding, presidential findings, are addressed to the Director of Central Intelligence. As it turned out, I always viewed the entire operation as essentially a joint operation. Colonel North had been involved with it before the finding. "I think Director Casey appreciated Colonel North's capabilities as much as I did, and it was a mutually agreeable decision on both of our parts to essentially have it as a joint operation with	DIVERSION: CASEY'S KNOWLEDGE POINDEXTER ACCOUNT: "Mr. LEON. And, in fact, they had numerous discussions, apparently, with regard to the diversion, and I believe it is your testimony that Colonel North didn't keep you appraised of those. "Mr. POINDEXTER. That is correct. I was unaware of that. It appears now after the fact that both Bill and I knew about the diversion, but I did not know that he knew and we never discussed it. "Mr. LEON. He must have known that you knew? "Mr. POINDEXTER. Oh, I am sure he did. "Mr. LEON. He never told you that he did? "Mr. POINDEXTER. No. He--he is a--he probably is as-- "Mr. LEON. A master-- "Mr. POINDEXTER. As secretive and keeps things as compartmentalized as I do. He is a good	CASEY'S KNOWLEDGE OF THE IRAN INITIATIVE AND OF DIVERSION POINDEXTER ACCOUNT: See col. 1.

Colonel North working the issue for me and there were several people, some have been identified, some haven't, that worked the issue for Director Casey.

"Mr. LEON. Where would Director Casey have fitted in the chain of command vis-a-vis Colonel North and yourself?

"Mr. POINDEXTER. There are two different chains of command. Bill Casey was the Director of Central Intelligence reporting to the President, often through me. That was not a requirement, but out of courtesy to me and because of respect for the President's time, Bill often reported to the President through me.

"And I don't want to say that Bill Casey worked for me in any way, but the chain of command did at least include me as a dotted line out to the side.

"Mr. LEON. Was he in a position, as you understood it, to give orders to Colonel North with respect to carrying out the Iran initiative without first clearing them through you?

"Mr. POINDEXTER. Not in a position of giving orders, but I certainly expected and wanted Bill Casey and Ollie to talk frequently.

"Mr. LEON. He testified they did, and that they had numerous discussions.

"Mr. POINDEXTER. That is correct.

"Mr. LEON. And, in fact, they had numerous discussions, apparently, with regard to the diversion, and I believe it is your testimony that Colonel North didn't keep you appraised of those.

"Mr. POINDEXTER. That is correct. I was

teacher, was a good teacher."
(Poindexter Testim., JHICI, 7/17/87, at 81-83.)

See col. 1.

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	unaware of that. It appears now after the fact that both Bill and I knew about the diversion, but I did not know that he knew and we never discussed it. "Mr. LEON. He must have known that you knew? "Mr. POINDEXTER. Oh, I am sure he did. "Mr. LEON. He never told you that he did? "Mr. POINDEXTER. No. He--he is a--he probably is as-- "Mr. LEON. A master-- "Mr. POINDEXTER. As secretive and keeps things as compartmentalized as I do. He is a good teacher, was a good teacher." (Poindexter Testim., JHICI, 7/17/87, at 81-83.)		
86/00/60-145 1984-86	NORTH'S RELATIONSHIP WITH CASEY C/CATF ACCOUNT: "[C/CATF.] . . . In late November I believe it was of '84, I received -- I don't recall the precise date -- I received a phone call at my home from Director Casey, very unusual for me at that point in time. I was eating dinner, he called up and said how are things going, I said you really want to know, boss? They are going terrible. We haven't got a policy, I don't know where we are going and I can't run the operations. He said see me in the morning. "I went up to see him and he said put down on paper for me a policy where you think we ought to go. I will get the policy, you run the operations. I can't remember whether I told Ollie about that conversation or whether Ollie told me about that conversation, but Ollie knew about that	NORTH'S CONTRA ACTIVITIES C/CATF ACCOUNT: See col. 1.	

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	conversation and Ollie said give me a copy of the paper. I said Ollie, I can't do that. I've got to put it through the system. It has to go to the Director and Ollie said, I'll talk to the Director, and he talked to him. "[] The next day, or sometime afterwards, I got a call from the Director, I remember that one fairly clearly because it was at his EOB office. He said, give a copy of the paper to Ollie. "And that let me know that Ollie had a fairly close, direct relationship with the Director. I was a little bit surprised. "I brought a copy down, gave it to Ollie. Subsequently we put the paper through the system and it went up and I believe if you saw it today it is in, with all due modesty, it is about the policy we [redacted.] And that gave me some insights as I was developing, as I said, in December, in October, November, and December kind of the frame work of where I was, kind of how Ollie fit in and helped me understand the dynamics I was living and working in." (C/CATF Testim., JHICI, 8/5/87, at 230-32.)		
86/00/60-150 UNTIL NOVEMBER 25, 1986	NORTH'S RELATIONSHIP WITH CASEY GEORGE ACCOUNT: "Mr. Kerr. One other aspect of North's relationships. Did you become familiar with or acquainted with North's relationship with Director Casey? "Mr. George. I knew they knew each other well. I remember sitting in the office and		

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	hearing Ollie North call Casey and talk to him and Casey would talk to him. They were, I think, among us, that Oliver North, and he's a friend of mine, had guts in approaching anybody anywhere any time in any conditions without any concern about their title, rank -- you know, we all grew up that you don't just storm into the CEO's office the third day with the company, and Ollie did it. Bill Casey liked Ollie North. We all did. "Mr. Kerr. . . . [W]as it your impression that in talking to Colonel North, Director Casey would learn very quickly of the conversation, that that was a way of talking to the Director? "Mr. George. If Ollie talked to -- "Mr. Kerr. If you talked to Colonel North, would your conversation be related to Director Casey by Colonel North? "Mr. George. It was evident in my relations with Ollie, it became evident -- I haven't read all the PROF notes. I have read some of those in the back of the Tower Commission Report. Ollie wasted no time. If I gave him the wrong answer, he called Bill Casey to see if he could get it changed. "On many occasions, I said, 'Ollie, you're out of your GD mind, I'm not taking the responsibility for that.' He would get back to me by going to Poindexter or McFarlane and they would go to Casey and sometimes Casey would make another decision. "Mr. Kerr. So I get perceptions clear, did you come away over time with the impression that Colonel North, when he asked for something, was in all likelihood going to be backed up by the		

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	Director? "Mr. George. No. We had plenty of fight outs, Ollie and I, over things, especially the hostages things. When I knew about it and I took him on, I could get my way with Bill Casey." (George Testim., JHICI, 8/6/87, at 29-30.)		
86/00/60-200 1984-86	CASEY -- "THE LAST GREAT BUCCANEER FROM OSS" -- AND HIS RELATIONSHIP WITH NORTH GEORGE ACCOUNT: "Mr. Stokes. . . . My last question is, in your deposition you say on a number of occasions that you felt it was your job to listen to Ollie North, but that many of his schemes were ha[re]brained, that is quote from your statement in the deposition. "Mr. George. I was going to disagree with that statement, but the more I reflect, I think I was right, they were ha[re]brained. "Mr. Stokes. Your attitude appeared to be to let h[im] and others like him plan to their heart[s'] content, but not to approve their operations, but you have testified that he and Director Casey were very close. I guess my question is do you think that Director Casey shared your attitude about Oliver North? "Mr. George. I think Casey looked upon North, he loved North very much, he liked action people. I like action people. Bill Casey was the last great buccaneer from OSS. He was dropping agents into Germany and France and saving lives when most of us were doing nothing. This was a great guy, Bill Casey, and he saw in Ollie North a part of		

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	that and he liked Ollie. But you could get to Casey and say Ollie is crazy and Casey would change his mind. "I am a great believer, and this is the point -- and we have to watch in hearings like this, we don't want to stop government intelligence officers, all I know, from thinking about, planning about [redacted]. You would also hope that your government employee would say, Jesus, that sounds pretty dumb. We want to keep people planning things, to plans were going on all the time. [Sic.] "Casey liked that. Ollie was a planner and, yes, Ollie had a lot of ha[re]brained schemes and Ollie had good schemes." (George Testim., JHICI, 8/6/87, at 183-84.)		
86/00/60-810 UNTIL DECEMBER 1986	CASEY'S ACCESS TO THE PRESIDENT REGAN ACCOUNT: According to Regan, though Casey "was a very close friend of the President" and had been the President's campaign manager in 1980, Casey did not have direct access to the President. Regan added, however, "If the director told me that he had something, I will best describe it as hot or some particular piece of information that he thought the President should hear and he wanted to do it alone, I would put him on the schedule." There were occasions, Regan testified, when Casey exercised that privilege and met with the President alone. (Regan Testim., JHICI, 7/30/87, at 11-12. See id., 7/30/87, at 176 [Regan: "Mr. Casey did have private meetings on occasion with		

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	the President of the United States, but did not have the privilege or right to go in on his own."].)		
86/00/80-100 UNTIL PRESENT	FOLLOWING ORDERS NORTH ACCOUNT: (1) "This lieutenant colonel is not going to challenge a decision of the Commander in Chief for whom I still work, and I am proud to work for that Commander in Chief, and if the Commander in Chief tells this lieutenant colonel to go stand in the corner and sit on his head, I will do so." (North Testim., JHICI, 7/9/87, at 154.) (2) "I am not in the habit of questioning my superiors. If [Poindexter] deemed it not to be necessary to ask the President, I saluted smartly and charged up the hill. That's what lieutenant colonels are supposed to do. I have no problem with that." (North Testim., JHICI, 7/9/87, at 154.)		
86/01/00-100 AROUND JANUARY 1986			THE REPLENISHMENT ISSUE McFARLANE ACCOUNT: McFarlane tells North in January 1986 that the agreement with the Israelis on the TOWs shipment involves their buying replacement missiles, but with the price as yet undetermined. (McFarlane Testim., JHICI, 5/11/87, at 148-49.)
86/01/00-101 AROUND JANUARY 1986			THE REPLENISHMENT ISSUE SECORD ACCOUNT: North tells Secord in January 1986 "there had,

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			in fact, been an assurance given to the Israeli Ministry of Defense that [the 508 TOW missiles shipped to Iran in Aug. and Sept. 1985] would be replaced [by the U.S.] free of charge." (Secord Testim., JHICI, 5/6/87, at 21-22.)
86/01/00-120 AFTER NOVEMBER 1985			THE REPLENISHMENT ISSUE NORTH ACCOUNT: "Mr. VAN CLEVE. . . . [You] indicated that there was substantial uncertainty about the terms on which the replenishment of the Israeli weapons was to occur; is that correct? "Mr. NORTH. Yes. It was presented to me one way by the Israelis and then when I went back to not even knowing that this problem existed in November, managed to get Mr. McFarlane, who was in the process of getting ready to leave the NSC, his explanation was not consistent with what the Israelis told me they understood from at least his commitment to them. "To this day, I don't know--I was not part of that dialogue, but it was very clear to me that the Israelis expected a replenishment. "Initially, they expected that it would be free, at least that is how it was communicated to me. And when I told them that that was out of the question, it was Mr. Nir who I think had the ingenious idea of using residuals to pay for it. "Mr. VAN CLEVE. Isn't it a fact that during the November 1985 to late January 1986 period, extensive consideration was given to upgrading Israeli weapons stocks by providing the Israelis with newer or better weapons than the ones they

had shipped to Iran?

"Mr. NORTH. There was some discussion of that. The bottom line of that--I mean--what you need to understand, there were proposals for everything in the world, not just from the Iranians, but from all kinds of people, many of which were impractical or unworkable or impossible. And what we finally arrived at is that we would try to--and I think we did--replenish the Israelis with weapons that were identical to the ones that they had shipped; and second of all, of the same era of manufacture and I think there was a safety feature added to the new ones that we didn't even charge for. Maybe the ones that they had shipped had the safety feature.

"I don't recall. But the bottom line was that we agreed, the Israelis and us, that we would replenish them with items similar and as identical as possible to the ones that they had shipped.

"Mr. VAN CLEVE. So I take it your testimony is that, in fact, we never did replenish by providing the Israelis with newer and better weapons than the ones they had shipped?

"Mr. NORTH. We did not.

". . . ."

(North Testim., JHICI, 7/9/87, at 104-06.)

North elaborated on the price of the Israeli replacement weapons:

"Mr. VAN CLEVE. Was replenishment ever done in 1986 at concessionary prices, that is, at prices below which Israel would otherwise have had

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			to pay for the same weapons? "Mr. NORTH. Not to my knowledge. And I say not to my knowledge, because I am not the one that priced the weapons. . . . ". . . . "In other words, we were not charging any preferential price just because it was Israel. We charged the price for those weapons of that date based on what the DoD estimated the price to be, I believe. "I was not in the Pentagon pricing it and I wasn't down at the arsenal we took them from. "Mr. VAN CLEVE. But you never asked, I take it, that the Defense Department give the Israelis a better deal than they otherwise would have been given if they had purchased the same weapons? "Mr. NORTH. No." (North Testim., JHICI, 7/9/87, at 107-08.)
86/01/00-500 JANUARY THROUGH JUNE 1986		THE 3-PERSON RIG ABRAMS ACCOUNT: Abrams testifying on RIG meetings: "Mr. BELNICK. Sir, from looking at your calendar, by my calculation, during the first six months of 1986, there were . . . [f]our RIG meetings that might have pertained to Central America and seven meetings listed among you, Oliver North, and the Chief of the Agency[] Central America Task Force. "What went on at those seven meetings of the three of you? "Mr. ABRAMS. I don't believe there were seven meetings of the three of us. My memory is that it	

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		would usually be my practice, as I said, to include in meetings a foreign service officer. "For the most part, that would have been my Deputy Assistant Secretary for Central America. It might on occasion have been others within the Bureau. "So I really can't tell you from my calendar how many times North, the Task Force Chief, and I met. We certainly did meet. "I would have very serious doubt that it is seven times. . . ." (Abrams Testim., JHICI, 6/2/87, at 18. See 85/07/01-600 [Abrams on RIG involvement with the Contras].)	
86/01/01-100 SOMETIME IN JANUARY 1986		THE PRIVATE DONORS: GARWOOD GARWOOD ACCOUNT: Ellen Garwood attends a briefing at the White House at which North, Abrams, and the President speak. "The topic of all of these presentations was the danger to the United States [i]f another Cuba should be established in our hemisphere, . . . and how far the Nicaraguans had gone along that path, the Nicaraguan government." None of the officials mentions funds except to thank the people gathered for the contributions they had been making for humanitarian aid. After the meeting, Channell asks Garwood for $65,000. (Garwood Testim., JHICI, 5/21/87, at 57, 74-75. See id., 5/21/87, at 130 [Referring apparently to Aug.-Sept. 1985 contributions, Rep. Fascell totaled Garwood's contributions from "February and March of 1986." Garwood testified	THE IRAN INITIATIVE: SECORD INVOLVEMENT McFARLANE ACCOUNT: McFarlane first learns of Secord's involvement in January 1986: McFarlane testified on 5/11/87 that Secord's role "wasn't precisely clear to me, but I did take it that his involvement was in arranging for transportation, that is aircraft charters, to ferry things from one point, as in Israel, to Iran, and so forth." McFarlane stated he did not know Secord was a "middleman in the transaction" or "a commercial cut-out," or that he was selling weapons to the Iranians at a higher price, or that a profit or surplus would be generated. (McFarlane Testim., JHICI, 5/11/87, at 149-50; see also id. at 151 McFarlane learns of the profits for the first time on the tarmac in Tel Aviv in May 1986].)

they would have been for humanitarian aid through NEPL or political activities through ACT.], 134 [Asked whether the President knew she was being asked to purchase arms, Garwood testified, "No, sir." She also stated, "In fact, my reason for meeting with the President had nothing to do with donations to the Channell organizations."];) 146 [The White House briefing lasted about an hour and a half. The President spoke only a few minutes at the very end. Most of the briefing was conducted by North or Abrams.].)

86/01/01-500
EARLY JANUARY
1986

THE COSTA RICAN AIRSTRIP: POINDEXTER'S AND NORTH'S KNOWLEDGE

TAMBS ACCOUNT:

Tambs discusses the airfield project with Poindexter after he becomes National Security Adviser, during Poindexter's trip to Central America.

"Mr. TAMBS. . . . Admiral Poindexter came down and was accompanied by Oliver North and some other officials and basically his mission was to stop in the capitals of democratic Central America and to reassure the Chiefs of State or whatever it was, but basically the message was that U.S. policy in Central America would continue the same under his stewardship as it had been under McFarlane.

"He was only in Costa Rica, I suppose, an hour and a half, two hours maybe. And we had a meeting at one of the hotels, and we talked about this and we also talked at that time with a Costa Rican official.

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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		"Mr. BELNICK. What was the discussion concerning the airstrip? "Mr. TAMBS. Well, the status." (Tambs Testim., JHICI, 5/28/87, at 164-66.)	
86/01/02-030 JANUARY 2, 1986			NIR MEETING WITH POINDEXTER POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Admiral, there came a time when you were visited by Mr. Nir? "A. Right. ". . . . "A. It was January 2nd, at least according to my notes. That was 1986. "Q. Did you take notes while you were meeting with him? "A. No. I think that's impolite when meeting with foreign officials to take extensive notes. Those notes will represent my recollections of the meeting shortly thereafter, probably on the aircraft on the way to California. "Q. Using the notes[,] if you have to[,] to refresh your recollection, just give us the substance of what transpired at the meeting with Nir. You don't have to go into every little detail. "A. All right. He started off by -- I don't think this was my first meeting with Nir. I had met with him some months or years earlier when he was in the -- it was apparently just after Peres had appointed him his special adviser on counterterrorism; and I had agreed to meet with -- my recollection is we had convened a session of the Terrorist Incident Working Group, which was

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			our interagency group for combatting terrorism. "Nir had been invited to attend just so everybody could meet him. So I had met with him briefly then just on the general subject of terrorism. "This would have been probably the second time that I ever saw the man. He indicated to me that Prime Minister Peres had sent him, that there were few people in the Israeli government that w[ere] aware he was coming to the United States to make this proposal. "He indicated that Rabin and the Defense Minister and both Peres and Rabin's military aides were aware. He was clearly trying to make a point to me that they were -- the Israelis were handling this in a very compartmentalized way. "He indicated that the reason -- one of the reasons that the Israelis had gotten involved in this channel to Iran was [3-1/2 lines redacted.] "So obviously this was the first time that that had come to my attention. It helped explain a little bit in my mind probably why the Israelis were so interested in Iran. "What he didn't say, but what I knew, is that their general -- in fact, he may have said this. He said that their point of view, the Iran-Iraq war as a stalemate was not all that bad. It kept the Iraqis engaged and kept them away from more antagonistic moves against Israel. "He also said that they certainly agree with us that we had to keep the Soviet Union out of Iran. "We talked about the hostage problem. At that

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			point, not only did we have the American hostages, there were a few French and British, as I recall, and there were some Israeli hostages, some Israeli soldiers that had been taken in Lebanon. They were interested in getting them back as well. "We talked a lot about the strategic importance of Iran and we agreed that we did have some coincidence of interest here. He indicated that Prime Minister Peres wanted to help the United States and they were willing to take some risks in providing that help. "We went through a proposed plan which would be unilateral, the U.S. not directly involved other than replacing the arms afterwards." (Poindexter, Senate Dep., 5/2/87, at 134-36.)
86/01/02-031 JANUARY 2, 1986			NIR MEETING WITH POINDEXTER POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. Did [Nir] say this would be deniable by the United States? "A. We discussed how to handle the issue of a public exposure of it. One option that we discussed was that the U.S. just simply deny it and for a[ ]while, that was a working hypothesis, but frankly -- "Q. Wasn't very plausible? "A. Wasn't very plausible. "Q. All right. "A. So I never really took that part of the plan seriously. There was concern on the part of some members within the administration that -- I guess the Vice President would probably fall in

this category -- that one of his concerns, although he was supportive of the, of what the President wanted to do and he thought we ought to go ahead with it, he was a little concerned about the leverage that it gave the Israelis over the United States.

"Now, the one -- so far in the meeting with Nir there wasn't anything particularly new that hadn't been covered earlier by the Israelis. But the Israelis had gotten word, I think at this point, of -- well, they had been in the London meetings with Mr. McFarlane; and they knew that meeting had not gone very well. They knew I had just taken over. They obviously wanted to push ahead with it, I am sure for their own selfish reasons; but I think there was also a genuine desire on the part of Peres to help the President. He knew the President was concerned about hostages and [almost 2 pages redacted.]

"Q. Did he ask you about the replacement of the 500-odd TOWs that the Israelis previously shipped?

"A. Yes, he did.

"Q. What was said on that subject?

"A. At that point, and again this is an indication of my lack of knowledge of what happened in the early months, I did not realize at that point that there was any U.S. agreement to replace those 508 TOWs. When Nir raised it in that meeting, as I recall, it was the first indication that I had that they expected those 508 TOWs to be replaced.

"Q. Did he say he expected them to be

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			replaced for nothing? "A. No. No. No. They wanted to buy them." (Poindexter, Senate Dep., 5/2/87, at 136-40.)
86/01/02-032 JANUARY 2, 1986			NIR MEETING WITH POINDEXTER POINDEXTER DEPOSITION ACCOUNT, Part 3: [Continuing from preceding entry:] "Q. Was there an issue of what the price [of the replacement TOWs] would be? "A. I believe there was. I'm not sure that came up in the meeting. I have really -- you know, I have not gotten involved in that level of detail in terms of what these things cost. "Q. Did it later come up? Why don't you just take us through what the dispute was, if any, with Israel on what they should pay for the TOWs? "A. As near as I can tell, when it came time to -- well, after the January meeting, when it came clear that they expected to buy replacement TOWs from us, the question was, what kind of TOWs do they want to buy and what was the cost going to be. And as I -- I vaguely recall that one of the concerns was that they had sold the Iranians an older version of the TOW missile and when the Israelis through their purchasing agent in New York had tried to check on the availability of the older version because the Israelis apparently didn't have enough money to pay for the newer version out of what they had gotten from the Iranians or what the Israeli government had gotten, they started checking on the old TOWs. "Immediately the question arose as to why were they asking for old TOWs instead of the newer,

improved version. So their purchasing agent, being a very quick-witted guy, immediately stopped asking question.

"Then I vaguely remember other conversations with Colonel North at the time in trying to figure out how the Israelis would have enough money to buy the 508 TOWs with the money that they said was available.

"We also, I think, somewhere along the line in about that time frame learned that the Israeli businessmen that had been involved were making considerable profit, and Nir seemed to be unaware of it and said that Peres was unaware of it. We never did pursue that very much.

"Q. Admiral --

"A. But then I know that there were several discussions between Colonel North and the logistics people out at CIA and the people at Defense with what to sell the replacements to Israel for; and there was an issue of whether there should be the older version or the newer version.

"At one point, Colonel North, I recall, made the argument to me in one of his debriefings that the U.S. Army had TOWs whose shelf life was running out and he didn't really understand why Defense couldn't sell those at a lower price, because otherwise, in a few months or years, the TOWs would be useless and they wouldn't get any money for them.

"But now what I am reporting to you is what Colonel North reported to me in terms of the actual decision with CIA and the Defense

Department; I didn't get directly involved in that.

"Q. Admiral, was there a plan ultimately for the Israelis to pay for the TOWs in part out of the proceeds of the new missile sales to Iran? Was that presented to you?

"A. I don't recall that.

"Q. Let me just move on. . . ."

(Poindexter, Senate Dep., 5/2/87, at 140-42.)

86/01/02-050
JANUARY 2,
1986

NIR MEETING WITH POINDEXTER
POINDEXTER ACCOUNT, Part 1:

"Mr. LIMAN. Admiral, on January 2, 1986, did the Israelis come to visit you with a new plan?

"Mr. POINDEXTER. Yes.

"Mr. LIMAN. And was it Mr. Nir?

"Mr. POINDEXTER. Yes, Mr. Nir, who was a special assistant to Prime Minister Peres. Shimon Peres came to town in late December, and I agreed to meet with him on the 2nd of January.

"Mr. LIMAN. And you have presented to us your notes of that meeting, which are Exhibit [JMP] 23?

"Mr. POINDEXTER. I have.

"Mr. LIMAN. Let me see if I can summarize it based on the notes and the testimony that you have given previously. Mr. Nir presented a proposal for an Israeli initiative that he wanted the United States to give support to, but it would be an Israeli initiative.

"Mr. POINDEXTER. I would characterize it--it was an Israeli initiative, but it was something that they wanted to do, that they also thought was in the U.S. interest, and essentially it was an offer for an opportunity for us to cooperate with the Israelis.

"Mr. LIMAN. And there was a 'no course' speech or two, it was to plan this based on your notes that the Israelis would, and I am looking at what we have put stamp 210, the Israelis would be shipping 4,000 TOWs, but upon the shipment of the first 500, all five hostages, U.S. hostages, would be released.

"If they were released, the 3,500 remaining TOWs would be shipped, there would be a commitment by the Iranians for no more hostages or terror, and if the Israelis didn't get the American hostages back after they shipped the 500 TOWs, then the Israelis would be out the 500 TOWs, it would be their risk.

"If, on the other hand, they got the hostages back, they would get replacements, not only for the 4,000 TOWs that were being sent, but for the 500 that they had sent in September. That was the proposal?

"Mr. POINDEXTER. That was the plan on that particular aspect of the plan. In the beginning of the discussion with Mr. Nir, we discussed the strategic situation with Iran and why Israel was interested in going forward with this project, and they, frankly, wanted to do it, I think, on their own even if we did not want to cooperate, but they recognized that we could certainly be of assistance, and they frankly thought that it was also in our interest, which it was, and that is not to say that our interests are exactly the same as the Israeli interest. And the whole

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			discussion, although in my notes a lot of room is taken up in discussing the plan on the arms shipment, it was always recognized that for us in terms of any sort of strategic opening to Iran we had to get over the first hurdle, the first obstacle, and that was to get the hostages back. And so the beginning of the discussion was a more general one and then we got off on the specific first step that would be required. "Mr. LIMAN. And is it fair to say that as it was being presented to you, the price of getting the hostages back was that you had to ship arms or let Israel ship arms? "Mr. POINDEXTER. We had to--what they were asking essentially for was our acquiescence to their shipping arms and selling them replacements for their arms." (Poindexter Testim., JHICI, 7/15/87, at 67-70; JHICI Ex. JMP 23 [Poindexter handwritten notes, 1/2/86].)
86/01/02-051 JANUARY 2, 1986			NIR MEETING WITH POINDEXTER POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. LIMAN. Was the proposal that was presented to you by Mr. Nir that if the hostages were not released after the first 500 TOWs were shipped by Israel, they would be out of pocket those? "You can look at your notes. "Mr. POINDEXTER. That clearly was the situation in January. But your question, as I understand it, was whether that was different from

before.

"Mr. LIMAN. Was that different from the one in December that you discussed at the December 7 meeting?

"Mr. POINDEXTER. Well, that's--I'm in the awkward position of not having notes on the December 7 meeting, which I didn't take, and so I can't remember exactly.

"I think--my best recollection is that the plan was always to try to get the hostages--at least in the initial stages, the plan was always to try to get the hostages back in one lump, all five at the same time. There clearly are problems with a seriatim release.

"The new feature of the plan was really something different. As I understood your question, you were trying to say that that was the new feature of that plan, and that I don't think was particularly new.

"Mr. LIMAN. No. I was asking you whether the fact Israel would absorb the loss of 500 TOWs was a new feature.

"Mr. POINDEXTER. Okay. I have trouble with that, too, because I, I don't think--well, I don't think I realized personally until this meeting in January that the Israelis expected us to replace the first 500. So I'm not sure, because I wasn't in on the discussions with the Israelis in July and August and September--I'm not sure exactly what, how the U.S. commitment was described at that time.

"Mr. LIMAN. Now, let's move on.

"Did . . . Mr. Nir, Admiral, say anything to

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			you at this meeting on January 2 about using proceeds from the sale to support the contras? "Mr. POINDEXTER. No, he did not." (Poindexter Testim., JHICI, 7/15/87, at 71-73.)
86/01/02-060 JANUARY 2, 1986			NIR MEETING WITH POINDEXTER: POINDEXTER'S NOTES, AND THE LEGALITY ISSUE POINDEXTER ACCOUNT: "Mr. NIELDS. . . . I take it these are the notes that you wrote on the airplane following your meeting with Mr. Nir for the purpose of briefing the President on Mr. Nir's proposal? "Mr. POINDEXTER. Yes. That is as I testified yesterday. I believe I wrote them on the airplane. "Mr. NIELDS. At the very end of the exhibit [JMP 23] you have the words 'covert finding.' I take it you are suggesting that the transaction in the future proceed under a finding? "Mr. POINDEXTER. Yes, that's correct. "Mr. NIELDS. In the hopes that that will rectify, that that will make the sales pursuant to the finding in compliance with the law? "Mr. POINDEXTER. Right. My understanding at that point, and again, I think you have essentially stated it, but let me restate it. "This, although, is based on my meeting with Nir, it is not--I don't believe that that particular item was discussed with Nir. These were prepared as notes to brief the President on the whole issue. "Mr. NIELDS. And you . . . then write the words 'already pregnant for 500.' I take it that is a reference to the 500 TOWs and 'already

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			pregnant' refers to the fact that those were not covered by a finding? "Mr. POINDEXTER. No. What that means, I think, is that at some--one of the things that came out of the meeting with Nir, and my recollection is that it was the first time that I became cognizant of the fact that the Israelis wanted those first 500 TOWs replaced; and the point I was making there to the President, or that I intended to make to him, was that somehow we had to send the 500 TOWs to Israel. "Mr. NIELDS. What did 'already pregnant' mean? "Mr. POINDEXTER. In essence, already had a commitment, which at that point I wasn't sure he understood, to sell the Israelis 500 TOWs to replace the ones that they had shipped earlier. "Mr. NIELDS. Now, why do you have that phrase 'already pregnant for 500' under the heading 'covert finding'? "Mr. POINDEXTER. Because we had to figure out a way to, under the law, to sell the Israelis 500 TOWs and avoid the reporting requirement to Congress. "Mr. NIELDS. In any event, I take it that you were aware that whatever legal problems there were with respect to the August TOW shipment and the November Hawk shipment, those legal problems were not cured by the January 17 finding? "Mr. POINDEXTER. I don't have any recollection of thinking about it in those legal terms that you are describing. I knew at--well, by the time of this note, I had not had a

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			discussion with the Attorney General yet. "The concept of having a covert finding, by my best recollection, is that after the Nir meeting, Colonel North and I had a private discussion to discuss the meeting afterwards; and at that time, my recollection is that I learned that the Attorney General had felt at that point--and I don't know exactly who had spoken to him at that point, I may have been told at the time, I don't remember--but anyway, I had the understanding that the Attorney General felt that it was possible with a covert finding to do this project in a legal manner." (Poindexter Testim., JHICI, 7/16/87, at 113-15. JHICI Ex. JMP 23 [Poindexter handwritten note, 1/2/86].)
86/01/02-065 JANUARY 2, 1986			NIR MEETING WITH POINDEXTER POINDEXTER ACCOUNT: "Mr. MCCLURE. On January 2nd, 1986, you had a meeting with Mr. Nir, who was a Special Assistant to Prime Minister Peres; is that correct? "Mr. POINDEXTER. That is correct. "Mr. MCCLURE. Who requested that meeting? "Mr. POINEXTER. Mr. Nir. I believe. Colonel North, of course--he did not request it directly of me, but Colonel North passed to me that Mr. Nir was in town and would like very much to meet with him. "Mr. MCCLURE. Had any U.S. official to your knowledge met with Mr. Nir or others prior to this time to help prepare the proposal? "Mr. POINDEXTER. Colonel North had met with

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			him. There may have been others, but I don't believe I am aware of that. Mr. Nir was not an unknown quantity to many officials in the U.S. Government. I had met with him many months or even years earlier on the subject of combatting terrorism. "Mr. MCCLURE. I believe you testified earlier that it was an Israeli initiative, something that they wanted to do. In fact, from your notes of the meeting, the Israelis offered to take the risk of losing 500 TOWs if the hostages weren't released after the shipment; is that correct? "Mr. POINDEXTER. That was part of their proposal. "Mr. MCCLURE. Did you see anything inconsistent about the fact that they were now offering to take the risk of losing their weapons when they were insistent earlier that the TOWs be replaced? "Mr. POINDEXTER. I took that to mean that they were very anxious for us to proceed ahead with the initiative. The initiative was important to them, and I think that they recognized that if we didn't agree and go along with them that we could cause some problems for them in the future, and so from that standpoint, a selfish standpoint on the part of Israel, but understandable that unless we proceeded ahead, they were going to have a more difficult time. "So it is not that we ignored that, we accepted that that was probably one of their reasons. But it turned out we thought it was also in our interests as well.

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			". . . . "Mr. MCCLURE. What made you believe the Israelis wanted to go forward on their own if we didn't want to cooperate? I think you indicated both last week and again now that they appeared so anxious to go forward they would go it on their own even if we didn't cooperate. "Mr. POINDEXTER. I believe--it has been a long time since that conversation, but I believe that Mr. Nir in the conversation indicated that whether we were going to go forward with the initiative, that they had planned to go ahead on their own." (Poindexter Testim., JHICI, 7/21/87, at 172-74.)
86/01/02-095 SOMETIME IN EARLY JANUARY 1986			THE IRAN INITIATIVE: POINDEXTER REPORTS A NEW CHANNEL REGAN ACCOUNT: "Mr. SMILJANICH. In early January, Admiral Poindexter talked to you further about this matter, very early January, leading up to a January 7 meeting, and expressed the opinion that he felt this matter ought to go forward; is that correct? "Mr. REGAN. That's right. "Mr. SMILJANICH. What did he tell you at that time was new or up in the air about this matter? "Mr. REGAN. I don't recall whether this was on Air Force One on the way back from California or a meeting that the President had with President de la Madrid. It could have been there. If it w[as]n't, it was certainly the next day that he had said something new had come up in the Iranian

situation, that the--I'm not sure he said Israel, but he said an Israeli had come up with a new plan that would--seemed to be feasible, that we possibly could open up a second channel; perhaps we could talk to people of a higher rank within Iran. He thought it was something worth exploring.

"Mr. SMILJANICH. At any rate, he left you or he told you specifically that there was a new channel to Iran, a new way of getting to the government?

"Mr. REGAN. The possibility of a new channel.

"Mr. SMILJANICH. Did he tell you that the contact with the government of Iran was still Ghorbanifar?

"Mr. REGAN. Well, Ghorbanifar was mixed up in it, but he was not to be the principal one, as I understood it.

"Mr. SMILJANICH. Did he tell you that the contact within the government of Iran was the same individual that Ghorbanifar had been dealing with in the past?

"Mr. REGAN. The implication was that it would be an additional or better contact within the Iranian government.

"Mr. SMILJANICH. Did Admiral Poindexter say that anything had happened to improve Mr. Ghorbanifar's chances of getting the hostages released by this process?

"Mr. REGAN. I don't recall that.

"Mr. SMILJANICH. Did he tell you that the Israelis and Iranians were now talking about 4000 TOWs as opposed to 100 TOWs back in September?

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			"Mr. REGAN. Not at that time. Not initially." (Regan Testim., JHICI, 7/30/87, at 36-38.)
86/01/02-100 JANUARY 2-3, 1986			THE 1/2/86 AND 1/3/86 FINDINGS SPORKIN ACCOUNT: North calls CIA General Counsel Sporkin and asks for a broader Finding than that drafted November 25-26 (called herein the 12/5/85 Finding; see entries starting at 85/12/05-020). Sporkin assigns the task to his assistants, who bring Sporkin a draft (the January 2, 1986 Finding), which he then edits. Sporkin's Draft Finding of January 3, 1986 (Sporkin Draft) gives the choice of notifying or not notifying Congress. It states as goals: (1) "establishing a more moderate government in Iran," and (2) "obtaining . . . significant intelligence" on Iran. The Finding makes no mention of hostages. Sporkin delivers the January 3 Draft Finding to North who further edits it (North Draft). He drops the choice of notification and adds a reference to the U.S.G. "facilitat[ing] efforts by third parties" to make contact with moderate Iranian elements. At Sporkin's request, North tells Sporkin he will contact Casey to tell him what is going on. (Sporkin Testim., JHICI, 6/24/87, at 39-59; JHICI Exx. SS 6, 8, 9.)
86/01/03-020 JANUARY 3,			THE 1/3/86 FINDING, WITH CHOICE OF NOTIFICATION SPORKIN DRAFT:

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1986			"I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, [and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.] " -or- [and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.] "SCOPE[:] "Iran "DESCRIPTION[:] "Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds,

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			intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. "Establish contact with the more moderate elements within and outside the Government of Iran to establish their credibility with that Government by the provision of arms, equipment and related materiel to these elements on condition that these materials be limited in their use essentially to the Iran-Iraqi conflict. This assistance will be discontinued if the U.S. Government learns that these elements are misusing or intend to misuse this assistance, for the purpose of reinstituting terrorist actions against U.S. persons, property or interests, or otherwise." (JHICI Ex. JMP 29 [= Exx. SS 8, OLN 268]. See Sporkin Testim., JHICI, 6/24/87, at 39-59 [drafting the Finding, and North's editing].)
86/01/03-030 JANUARY 3, 1986			THE 1/3/86 FINDING: NON-NOTIFICATION SELECTED NORTH DRAFT: "I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the

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			National Security Act of 1947, as amended, until I otherwise direct. "SCOPE[:] "Iran "DESCRIPTION[:] "Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. "The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S.

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			Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding." (JHICI Ex. JMP 29-A [= Exx. SS 9, OLN 268-A].)
86/01/03-100 JANUARY 3-17, 1986			THE 1/3/86 FINDING: NORTH DRAFT, AND CONGRESSIONAL NOTIFICATION NORTH ACCOUNT: "Mr. LIMAN. Do you recall that the draft that . . . Judge Sporkin gave you[] had as options notify the Congress or defer notification of the Congress? Do you remember that? "Mr. NORTH. I do. "Mr. LIMAN. Who made the decision to not notify the Congress at that time? "Mr. NORTH. My recollection is that both options were presented to the National Security Adviser and I assume the President, and I would assume that the President made that decision. "Mr. LIMAN. Did you participate in any briefing of the President on that subject? "Mr. NORTH. I do not recall actually sitting down in a meeting with the President. I know that there were several meetings with the President on that issue, and I don't recall specifically being with the President on the final formulation, no. "Mr. LIMAN. And then you have been through testimony, which we will not repeat, about all of this scrambling to find a way within the law to do the transaction without notifying Congress, correct?

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			"Mr. NORTH. That's correct. "Mr. LIMAN. And all of these different strategies and versions of the transactions that Mr. Nields took you through represented an effort to find a way within the various statutes, as interpreted by the Attorney General, to sell the arms without notification to Congress; is that correct? "Mr. NORTH. That's correct. "Mr. LIMAN. And on that subject you had the Attorney General giving advice, correct? The Attorney General blessed the form of the transaction? "Mr. NORTH. It was my recollection, as I think I testified yesterday, that I actually carried the draft finding over to the Attorney General. I may be incorrect on that. But my recollection is that I met with the Attorney General and one of his deputies--I believe it was Mr. Jensen--got his approval on the finding, the procedures we were using, and the finding was subsequently signed by the President." (North Testim., JHICI, 7/10/87, at 24-26.)
86/01/03-140 DURING JANUARY 1986			THE IRAN INITIATIVE: THE ISSUE OF CONGRESSIONAL NOTIFICATION POINDEXTER ACCOUNT: "Mr. POINDEXTER. . . . [T]he Iran project, the decision to try to find a strategic opening to Iran was clearly new policy. That was thoroughly discussed with the President by people that had dissenting views. And the views and problems that many of you here may see were raised by Secretary

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			of State Shultz and Secretary of Defense Weinberger. So those kinds of views were not withheld from the President, and he had them. "I doubt seriously if the President had made a decision rather than to postpone notification, to go ahead with notification if people would have given him any new insights as to what the problems were. And I think it's also important, and I don't think the public fully understands this, is that under the Hughes-Ryan Amendment to the National Security Act, that Congress cannot veto a covert action. In other words, it is not a matter of sending the action up here for approval. The matter is one of informing for oversight purposes-- "Mr. LIMAN. And getting their point of view? "Mr. POINDEXTER. That's right. But my point is that the President, deciding not to do the notification, did not in this case preclude his getting a different kind of view." (Poindexter Testim., JHICI, 7/15/87, at 199-200.)
86/01/04-100 JANUARY 4, 1986			POINDEXTER INFORMS SHULTZ OF NIR'S PROPOSAL DoS CHRONOLOGY: "POINDEXTER advises GPS that AMIRAN NIR had come to see him to revive the hostage deal. NIR presented a proposal involving the release of certain Hizbollah prisoners, and the sale of 3,000 TOWs to Iran, in exchange for the hostages. GPS states that this suffers from all the same problems as the previous proposals, calling it a 'payment' for hostages. GPS thinks POINDEXTER is negative toward proposal."

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			(JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 86/01/07-110.)
86/01/04-110 JANUARY 4, 1986			POINDEXTER INFORMS SHULTZ OF NIR'S PROPOSAL SHULTZ ACCOUNT: "Mr. BELNICK. . . . Admiral Poindexter advised you that Mr. Nir had come forward with a proposal which would involve the release of certain Hizballah prisoners, the sale of 3,000 TOWs to Iran and the release of American hostages. "My understanding from your chronology is that when Admiral Poindexter put this to you on January 4, you objected. "Secretary SHULTZ. It is the same proposition basically with the same problems. [See, e.g., 85/12/07-182.] So I said the same things." (Shultz Testim., JHICI, 7/23/87, at 82.)
86/01/05-200 JANUARY 5, 1986			REVISING THE 1/3/86 DRAFT FINDING: CASEY'S INVOLVEMENT, AND THE PRESIDENT'S SIGNING SPORKIN ACCOUNT: Sporkin and North meet at Casey's house. North shows Casey a cover memorandum which gives the context of the Finding. After they have discussed the January 3 Finding (North Draft) and are on their way out of the house, Sporkin tells North they must include mention of the hostages to make it factually accurate. North tells Sporkin the State Department opposes mentioning the hostages. North and Sporkin go back to Casey to ask his view. Casey sides with Sporkin; hostage rescue is

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			included as a goal in the Finding. Sporkin accompanies North to the White House Situation Room to revise the Finding. Sometime over the next week or so, Sporkin meets with North. At some point he also sees a Finding dated January 6, 1986 which the President has signed. The Finding includes mention of hostage-release as a goal. Sporkin adds the words "and third parties" by hand to the first paragraph to make it symmetrical with the second. (Sporkin Testim., JHICI, 6/24/87, at 59-74; JHICI Exx. SS 10, 12, 15.)
86/01/06-100 JANUARY 6, 1986			THE 1/6/86 FINDING: TEXT "I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct. "SCOPE[:] "Iran "DESCRIPTION[:] "Assist selected friendly foreign liaison services and third countries, which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or

support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counterintelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

"The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding."

(JHICI Ex. JMP 24 [= Exx. SS 12, OLN 268-B]. See

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			JHICI Ex. JMP 24-A [= Exx. SS 15, OLN 268-C]; Sporkin Testim., JHICI, 6/24/87, at 59-74 [Sporkin adds "and third parties" to the first paragraph of the 1/6/86 Finding. That marks the single change from the 1/6/86 Finding to the 1/17/86 Finding.].)
86/01/06-150 JANUARY 6, 1986			PRESIDENT'S DAILY BRIEFING: THE 1/6/86 FINDING REGAN ACCOUNT: "Mr. SMILJANICH. . . . You were present at the daily briefing of the President on [January 6, 1986], according to your records? "Mr. REGAN. Yes. "Mr. SMILJANICH. Admiral Poindexter discussed a new proposed finding with you and the President? "Mr. REGAN. That is right. ". . . . "Mr. REGAN. And the Vice President. ". . . . "Mr. SMILJANICH. He had a proposed finding with him [which] he gave to the President and discussed with him? "Mr. REGAN. Yes. "Mr. SMILJANICH. This was the day before the NSPG meeting? "Mr. REGAN. That is right. "Mr. SMILJANICH. . . . Exhibit [DTR] 14 is a signed Presidential covert action finding, dated January 6, 1986. It shows the President's signature on the bottom. First of all, do you have any specific recollection that this was the finding presented to the President on that day? "Mr. REGAN. Well, I know a finding was presented to the President on that day. I assume

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			this is it. "Mr. SMILJANICH. Did you understand during that meeting that this was a covert action finding that the President was supposed to actually execute on that date and move forward? "Mr. REGAN. No. As I understood what this was, this was a pre-brief of the President anticipatory to the meeting that he would have on January 7th so that he would know what the issues were and what type of decision he would be asked to make at the January 7th meeting. "Mr. SMILJANICH. How did it come to be signed? "Mr. REGAN. I don't know. I think it had to be an error, because it isn't normal that the President would sign a draft such as this. Notice that this one, you know, it does not have the normal appearance of a finding. I have to think that this was the start of the process and inadvertently signed." (Regan Testim., JHICI, 7/30/87, at 38-40; JHICI Ex. DTR 14 [= Exx. JMP 24-A, OLN 268-C, SS 15; signed Finding, 1/6/86].)
86/01/06-160 JANUARY 6, 1986	NSPG MEETING POINDEXTER SCHEDULE: Poindexter's schedule lists an NSPG meeting, lasting 80 minutes and starting at 11:00 a.m. in the Situation Room. The meeting is attended by the President, Vice President, Shultz, Weinberger, Meese, James Miller, Casey, Adm. Crowe, Regan, Poindexter, Fortier, and James Baker. (Poindexter, Schedule, 1/6/86 [Committee Documents		

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	N 52298, 52299].)		
86/01/06-400 SOMETIME IN JANUARY 1986			THE JANUARY FINDINGS NORTH ACCOUNT: North testified that in January 1986 he personally coordinated the drafting of a Finding with the Attorney General and with Lowell Jensen. He could not recall having specifically discussed with Meese the September or November shipments to Iran. North clarified that he might have brought up the prior shipments, however. "Mr. VAN CLEVE. Would there have been any reason, sir, for you to have discussed the previous shipments with him [the Attorney General] if what you were doing was seeking clearance for future shipments? "Mr. NORTH. Not specifically. But I do not recall myself being in a situation where I was trying to hide anything. So it would not be inconsistent to discuss what had transpired and what was going to transpire, all under the provisions of the covert action findings." (North Testim., JHICI, 7/9/87, at 100-01.)
86/01/06-450 JANUARY 6, 1986			THE JANUARY FINDINGS NORTH ACCOUNT: "Mr. RODINO. . . . When you met with the Attorney General and Deputy Attorney General Jensen on January 6, 1986, regarding the January 1986 finding, to your knowledge, was this the first time the Attorney General knew of the Iranian initiative? "Mr. NORTH. To my specific knowledge, yes.

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			. . . I had worked with Mr. Sporkin of the Office of General Counsel at the CIA on [the 12/5/85 Finding], and it was my understanding--perhaps faulty--that it was in the process of working on that finding that the Attorney General had come across or found or made note of an earlier determination by then Attorney General French Smith to the effect the arms sales can be conducted in accord with a Presidential finding, and further that the retroactive or ratification language that was included in the November finding had been run by the Attorney General; and since, in my experience, other findings were cleared by the Attorney General's office, this one had been, too. "Thus, when the finding was signed by the President, that finding had been, by my reckoning, at that point in time cleared by the Attorney General. I do not recall specifically addressing that prior finding with the Attorney General and Mr. Jensen when I met with them in January. . . . ". . . . "Mr. RODINO. Did you brief the Attorney General [on 1/6/86] on the initiative? "Mr. NORTH. Well--yes. My recollection is that I covered with him--and again, it is not a very specific recall, I probably had the finding itself and probably my draft cover memorandum which I would have prepared for Admiral Poindexter's signature and transmission to the President. But I don't recall that specifically, but that would have been the normal practice, sir. "Mr. RODINO. And when the Attorney General

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			read the January finding, was he surprised to learn of the Iranian initiative? "Mr. NORTH. I do not recall any expression of surprise, no. ". . . . "Mr. RODINO. The Attorney General himself didn't ask any questions or make any comments regarding it? "Mr. NORTH. I'm sure there were questions asked, but again I do not recall the essence of the conversation. "Mr. RODINO. Did Lowell Jensen ask any questions or make any comments. "Mr. NORTH. Again, I'm sure that he did, which was normal under these circumstances to have queries made about it, but I do not recall the substance of the conversation, sir." (North Testim., JHICI, 7/13/87, at 191-95. See 86/01/06-140 [Meese testimony on the meeting with Jensen and North].)
86/01/06-480 JANUARY 6, 1986			THE 1/6/86 FINDING POINDEXTER DEPOSITION ACCOUNT: "Q. I will show you a copy of a finding dated January 6, 1986, bearing what appears to be the signature of the President. I should tell you there is a handwritten note 'and third parties' that was inserted by Stanley Sporkin when this was rewritten on January 17. "A. I remember it well. That was added. "Q. Was this the finding signed by the President in early January? "A. Yes.

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			"Q. You read the Tower Board said he signed it by mistake? "A. I can't necessarily disagree with that. I can't remember the exact conversation with the President. "As I think I have said earlier today, the President did have a tendency if you put a piece of paper in front of him, if he agreed with it, he signed it. Whether when I presented this to him in early January of '86, whether it was for final signing or just to discuss with him the direction that we were going, it would be hard for me to say at this point." (Poindexter, Senate Dep., 5/2/87, at 143.)
86/01/06-500 JANUARY 6, 1986			THE 1/6/86 FINDING POINDEXTER ACCOUNT: "Mr. LIMAN. . . . On January 6 a finding was signed by the President, which was Exhibit [JMP] 24-A in our book here, and there is a memorandum accompanying it, a cover memorandum from you describing the plan for the Israelis to sell the TOWs and for us to reimburse, replace those TOWs. "Do you remember the circumstances under which the President signed that finding? " . . . . "Mr. POINDEXTER. I don't have a vivid recollection of this, but I believe what happened was that after Mr. McFarlane came back from London, the best description that I have seen of the President's mood is reflected in a memo that's in the Tower Commission Report from Director Casey. I think, as I recall, it is a memorandum

for the record, of that meeting.

"Mr. LIMAN. Would you describe his mood?

"Mr. POINDEXTER. Well, his mood was one of--essentially of not being willing to give up, that he thought that we ought to continue working on the problem. After all, my recollection is that Mr. McFarlane wasn't opposed to the initiative at that point or wasn't recommending total opposition to it; he was only recommending if we were going to proceed ahead, that we find a different channel because he didn't trust Ghorbanifar. And the President's mood was one of wanting to continue to work the issue.

"After the December meeting, as I recall, I tasked Colonel North to work with Stanley Sporkin out at the agency and also touch base with either Ed Meese or some of his people that worked findings, to prepare a broader, more all-encompassing finding that clearly laid out all of our objectives, and then once we had that staffed and properly discussed, we would be in a much better situation to proceed ahead with some form of an Iranian project, with all of the objectives that are clearly laid out in that.

"And, as I recall, this Exhibit [JMP] 24 was essentially the first draft that I saw of the broader finding that Colonel North and others in the Government had worked to produce, and probably what I did in early January--the meeting with Mr. Nir was on the 2nd. That afternoon--the President was on the West Coast--that afternoon I flew out to the West Coast to join up with the President. I had been on leave back here over the holidays

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			and my deputy was with the President. "My deputy had a meeting with the President of Mexico in Mexicali on the way back, and I was going to join him for that meeting. These notes that were in the previous exhibit we discussed were not contemporaneous notes taken during the Nir meeting. I actually wrote those notes on the aircraft on the way out to California, based on my recollection of the meeting. "And because of the meeting with the President of Mexico and everything attendant to that, I didn't have an opportunity to discuss the Nir meeting with the President until we returned to Washington. I can't remember the exact day we returned, but, as I recall, this memorandum was waiting for me when I got back, and I probably took it up to a 9:30 meeting to discuss it with the President in a preliminary way, and as is oft the way it happens, when the President is reading something, whether it is a final or a draft, if he agrees with it, he will often sign it, and so that's why this particular version of the finding was signed. "It had not been fully staffed, because I felt that on such an important issue that it was important to get all of the President's National Security Advisors, and that is the Secretary of State, the Secretary of Defense, the Director of Central Intelligence, and on this matter the Attorney General, together--the Vice President had not had a chance to make his views known at that point. And so, as I recall, after discussing this with the President and the President indicating

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			that he was in general agreement, in fact indicating that by signing it, which I didn't want him to do at that point because he hadn't had a full discussion, we agreed to have a meeting later in the Oval Office with all the National Security Advisors to thoroughly discuss the issue. "Mr. LIMAN. Is it fair to say that that meeting took place on January 7? "Mr. POINDEXTER. Yes, it did." (Poindexter Testim., JHICI, 7/15/87, at 73-76; JHICI Exx. JMP 24 [cover memo for 1/6/86 Finding], 24-A [1/6/86 Finding].)
86/01/06-530 JANUARY 6, 1986			THE 1/6/86 FINDING: WHO KNEW AT THE TIME THAT IT EXISTED SUMMARY: (1) Regan Testimony: Poindexter discussed a new proposed Finding on January 6, 1986 with the President, Regan, and the Vice President. (Regan, JHICI, 7/30/87, at 39.) (2) Poindexter Testimony: "I don't remember who was there, but I would guess Don Regan and the Vice President were also there." (Poindexter, Senate Dep., 5/2/87, at 144. But see Poindexter Testim., JHICI, 7/15/87, at 73-76 [One reason the meeting was called for the following day, after Poindexter presented the Finding to the President on 1/6/86, was because the Vice President had not had a chance to make his views known at that point. Poindexter did not say in his deposition testimony whether the Vice President was present on 1/6/86.].) (3) NSC Meeting Chronology: This unlabeled,

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			unsigned, one-page NSC document lists: "Monday, January 6, 1986 (9:30AM) "NSB with Vice President, Regan and Fortier "President signed First Finding" (Committee Document N 7718, cited in Iran-Contra Report, at 203 nn. 143, 145. On the NSC Chronology entries, see 85/12/07-090. NSC Chronology continues at 86/01/07-030.)
86/01/06-700 JANUARY 6 AND DECEMBER 16, 1986			SHULTZ' SSCI TESTIMONY, 12/16/86: HE FINDS OUT ABOUT THE 1/6/86 FINDING SHULTZ ACCOUNT: "Mr. BELNICK. Mr. Secretary when were you informed that there was more than one such covert action finding signed by the President? "Secretary SHULTZ. When I was testifying before the Senate Select Committee on Intelligence [on 12/16/86], I believe it was Senator Cohen, during the question period, asked me about a January 6th finding. And I said to him, 'Senator, I think you must be thinking of the January 17th finding.' I believe that was you. And you said, 'No, January 6th.' I said, 'Well, that is the first I've heard of a January 6th finding.' So that is when I heard about it." (Shultz Testim., 7/23/87, at 7.)
86/01/06-701 JANUARY 6-7, 1986			THE 1/6/86 FINDING: SHULTZ' KNOWLEDGE SHULTZ ACCOUNT: "Mr. MITCHELL. . . . Then, we will go on to the next finding, which occurred on January 6. The President signed a second finding on January

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			6, 1986, and on the following day, met with you and the other principals of the National Security Council to discuss the Iran initiative. "And am I correct that the President did not tell you then that he had signed a finding on this matter on the day before? "Secretary SHULTZ. That is correct." (Shultz Testim., JHICI, 7/24/87, at 134-35. See JHICI Ex. GPS 18 [signed Finding, 1/6/86]. See 85/12/05-801 and 86/01/17-067 on Shultz' knowledge of other Iran Findings.)
86/01/07-005 JANUARY 7, 1986			NATIONAL SECURITY BRIEFING: HOSTAGES DISCUSSED NSC LIST: An unsigned, unlabeled NSC Meeting Chronology lists: "January 7, 8, 9, 16: Discussion of Hostages during NSB" (NSC Meeting Chronology [Committee Document N 7718]. On the NSC Chronology entries, see 85/12/07-090.)
86/01/07-007 JANUARY 7, 1986 11 a.m. - 1 p.m.	NSPG MEETING, FOLLOWED BY OVAL OFFICE MEETING POINDEXTER SCHEDULE: Poindexter's schedule lists an NSPG meeting in the Situation Room from 11 a.m. to 12:20 p.m. The topic is the NSDD to Implement the Report of the Vice President's Task Force on Combatting Terrorism. The meeting is attended by the President, Vice President, Fuller, Shultz, Baker, Weinberger, Meese, Keel, Casey, Kelly, Moellering, Regan, Poindexter, Fortier, Holloway, and 2 people from		

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	Young & Rubicam. At 12:20 p.m., a meeting follows in the Oval Office and lasts 40 minutes. The attendees listed on Poindexter's schedule include the President, Shultz, Weinberger, Casey, and Regan. (Poindexter, Schedule, 1/7/86 [Committee Documents N 52292 through 52297].)		
86/01/07-030 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: WHO ATTENDED NSC LIST: An unsigned, unlabeled NSC Meeting Chronology lists: "Tuesday, January 7, 1986 (12:20 - 1:00 PM) "Meeting in Oval Office with President, Vice President, Shultz, Weinberger, Casey, Meese, Regan, Poindexter" (NSC Meeting Chronology [Committee Document N 7718]. On the NSC Chronology entries, see 85/12/07-090. NSC Chronology entries continue at 86/01/16-190.)
86/01/07-050 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Do you remember that subsequent to January 6th, January 7th, you had another meeting of the group? "A. That's right. "Q. At that time that they were meeting -- this time it was Meese and Secretary Shultz and Secretary Weinberger and yourself. "A. And the Vice President. "Q. And the Vice President.

DATE	GENERAL	CONTRAS	IRAN
			"A. And Don Regan. "Q. And Don Regan. "Do you remember whether you were aware that the President had already signed the finding? "A. I am sure we were. "Q. Who is we? You and the President? "A. Let me see. "Q. Who was aware the President had already signed it? "A. I think that no doubt -- well, on the 6th of January, you would have to check the diary to see who was present at the 9:30. I would have covered this with the President at the 9:30 meeting on the 6th. I don't remember who was there, but I would guess Don Regan and the Vice President were also there. "But on the -- the reason for having the meeting on the 7th was that the President clearly recalled the last meeting at which Secretary Shultz and Secretary Weinberger were there and, in fact, had made very strong cases as to why we should not proceed. I don't recall at this point whether it was my suggestion to the President or whether he decided that we ought to have one more informal NSPG meeting. "What I started to say earlier and never quite got it out, I don't think[] we made a distinction. These meetings were really characterized as a meeting of National Security Advisers to the President in a broad sense rather than calling them an NSC or NSPG meetings. "Anyway, I am certain on the 6th when the President signed what I consider to be a

preliminary version of the finding, that also on that day we agreed to have a meeting the following day to discuss that; and so I'm convinced that I would have known on the 7th that the President signed this on the 6th, and the President remembered, and probably Don Regan and the Vice President if they had been at the 9:30 the previous day.

"But the meeting on the 7th was set up as one final [r]eview of the situation. It also -- it was at that point I was concerned that we had not had the Attorney General formally into it. I had talked informally with the Attorney General. Either Stanley Sporkin or Ollie North had talked to the Attorney General. So I knew the Attorney General's position, I thought. And indeed, I did.

"Going back to the 7 December meeting, Secretary Shultz and Secretary Weinberger had raised the legality question; and if the President said what you implied he did, I am sure that's why he commented that way. But -- and after that 7 December meeting, I had told Colonel North to work with Mr. Sporkin on a new finding and also get the Attorney General into the act so we could settle this question as to whether there was a legal problem or not a legal problem."
(Poindexter, Senate Dep., 5/2/87, at 143-46 [Poindexter response continues in next entry]. See 85/12/07-140, -141 for Poindexter Deposition Account in full of the 12/7/85 meeting.)

86/01/07-051
JANUARY 7,

THE 1/7/86 MEETING ON THE IRAN INITIATIVE
POINDEXTER DEPOSITION ACCOUNT, Part 2:

DATE	GENERAL	CONTRAS	IRAN
1986			[Poindexter response continues from preceding entry:] "[A.] At some point between the 7th of December and the 7th of January, it was reported to me by Colonel North that indeed the Attorney General did not have a problem with [the legality issue], that earlier in the administration -- "Q. The French Smith opinion? "A. Yes. "Q. All right. We can always come back to that at some other point. "A. All right. "So one of the reasons for having the meeting on the 7th of January was to give the Attorney General an opportunity to tell the President that directly. "Q. Did he tell him that? "A. I believe he did tell him that. "Q. And in substance, what he said was if you act pursuant to a finding -- "A. Under the National Security Act -- "Q. -- that that supersedes the Arms Export Control Act? "A. Control Act, that's correct. "Q. That was based on the same reasoning as French Smith used in his earlier opinion? "A. Actually, to be accurate, it was what Smith was doing was that he was agreeing with an analysis that had been done by the legal adviser to the State Department, Davis Robinson. "Q. Now -- go ahead. "A. I was going to say, between the 6th of January and the 17th of January, we continued to

work the finding.

"Q. On the meeting that you had on the 7th, what was the line-up in terms of who was in favor and who was against?

"A. I think everybody in the meeting on the 7th of January was in favor of doing it except the Secretary of State and the Secretary of Defense. That is my best recollection.

"Q. That must have been a rare moment for you to have both of them in agreement?

"[Redacted.]

". . . .

"Q. Let's go on to the reworking of the finding, because it wasn't just a reworking of the finding, it was a reworking of the transaction, wasn't it, the structure of it?

"A. Yes.

"Q. . . . But . . . at the time that you were talking to the group on the 7th, you were still talking about a sale by the Israelis with the United States replenishing their stocks?

"A. That's correct."
(Poindexter, Senate Dep., 5/2/87, at 146-48.)

86/01/07-052
JANUARY 7-17,
1986

THE IRAN INITIATIVE: RESTRUCTURING THE ARMS TRANSACTIONS, AND ATTORNEY GENERAL'S INVOLVEMENT

POINDEXTER DEPOSITION ACCOUNT:

[Continuing from preceding entry:]

". . . .

"A. Let me clarify one point that I agreed with you on, though. At least that was my understanding of what we were talking about. We were talking about -- I am not at all sure it was the Attorney General's understanding at that point.

"Q. At least as you understand it --

"A. As I understood it at the time, we were still talking about Israel providing -- selling the arms to Iran and the U.S. allowing the Israelis to purchase replacement arms from the United States.

"Q. That had been the Nir proposal?

"A. That had been the Nir proposal.

"Q. What happened in the restructuring? How did it come about?

"A. I don't recall everything that happened between the 7th of January and the 16th, but we were still working on the finding and making sure that -- and the meeting on the 7th, I don't recall. I probably did not say in the meeting that the President had signed the finding, a finding the day before.

"Q. Was there a reason you didn't say it?

"A. I frankly -- again, and that's why I think that, you know, its probably accurate to say the President inadvertently signed this the day before, because I hadn't really had a chance to sit down and show the finding to the cabinet officers involved.

"Q. So you wanted to give them an opportunity to be heard, not tell them that you are just here to talk about something which has happened?

"A. That's right. That's right.

"Q. The President could have changed his mind?

DATE	GENERAL	CONTRAS	IRAN
			"A. Could have, but I didn't think he was going to. "Q. In any event, no action had been taken on the finding at that point? "A. That's correct." (Poindexter, Senate Dep., 5/2/87, at 148-50. Poindexter deposition testimony on the restructuring of the arms transaction continues at 86/01/16-290.)
86/01/07-060 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: POINDEXTER'S NOTES POINDEXTER DEPOSITION ACCOUNT: Poindexter testified on Dep. Ex. 40, his handwritten notes of the 9:30 a.m. meeting on January 7, 1986: "Q. Admiral, you are now looking at notes that you took; is that correct? "A. That's my handwriting. "Q. And do these refer to notes related to the meeting that you were having that day with the NSC principals? "A. To put these two pages of Exhibit 40 in perspective, these are pages out of what I call my 9:30 file, which was a looseleaf file -- most of the pages were on yellow legal pad, but this one appears to be on a 5 by 7 note pad -- of agendas that I made up prior to my 9:30 meeting each morning with the President as to the items I wanted to cover with him. "MR. BECKLER: May I ask for a brief recess to discuss this with my client? "MR. LIMAN. Sure.

DATE | GENERAL | CONTRAS | IRAN

"(A brief recess was taken.)"
[Following the recess, a discussion took place over access to documents. The deposition then adjourned until a later date.]
(Poindexter, Senate Dep., 6/18/87, at 414-23; Poindexter Dep. Ex. 40 [Poindexter handwritten notes, 1/7/86; Committee Documents N 7840-41].)

86/01/07-061
JANUARY 7,
1986

THE 1/7/86 MEETING ON THE IRAN INITIATIVE:
ATTENDANCE
POINDEXTER NOTE:

Poindexter's notes headed "0930 7 Jan 1986" include the following list:

"Pres
"VP
"Shultz
"Weinberger
"Casey
"Meese
"Regan
"JP"

(Poindexter Dep. Ex. 40 [Committee Documents N 7840 and 7841].)

86/01/07-062
JANUARY 7,
1986

THE 1/7/86 MEETING ON THE IRAN INITIATIVE:
ATTENDANCE
POINDEXTER DEPOSITION ACCOUNT:

"Q. The last thing, Admiral, . . . I'll end with where we ended last time, [Poindexter Dep.] Exhibit 40, which was your notes of January 7, 1986, and which refers to a discussion that you had or list you made. Do you want to translate that for us, sir.

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			". . . . "THE WITNESS: These are -- there are two major items I discussed with the President that morning. One was the hostage situation and the other was the status of -- although I have hostages, it really refers to the Iranian project, and Shultz and Weinberger were in disagreement with the proposal to go ahead for two reasons. They opposed any deals for hostages and they were opposed to arms to Iran. "The next item means that Casey and Meese thought the President should go ahead, and the last note means that Shultz had asked for a meeting with the President about it and it was at that meeting that the President agreed he had an open spot on his schedule around lunchtime, and so he agreed to meet with his National Security Advisers at that time, which I think was around 11:30 or something like that. And this second page is a list that I made up for my secretary of people to invite to the meeting. "MR. LIMAN: Where it says 'Shultz and Weinberger,' was that reporting to the President that their position was? "THE WITNESS: Yes, which he well understood. "BY MR. LIMAN: "Q. As a result of your reporting what their position was, the meeting was arranged that is reflected on the next page? "A. That's correct. "[Redacted.]" (Poindexter, Senate Dep., 7/2/87, at 78-80; Poindexter Dep. Ex. 40 [Poindexter's handwritten

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			notes, 1/7/86; Committee Documents N 7840 and 7841].)
86/01/07-100 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE POINDEXTER ACCOUNT: Poindexter summarized the meeting held after the President had signed the 1/6/86 Finding: "Mr. LIMAN. And without getting into great detail, is it true that Secretary Shultz and Secretary Weinberger again expressed their opposition to the initiative? "Mr. POINDEXTER. Yes, they did. "Mr. LIMAN. And is it also correct-- "Mr. POINDEXTER. Very vigorously. "Mr. LIMAN. And is it correct that the Attorney General told the President that he had a legal right to pursue this initiative by replenishing arms to Israel and so forth? "Mr. POINDEXTER. He did." (Poindexter Testim., JHICI, 7/15/87, at 76.)
86/01/07-105 JANUARY 7 AND 16, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT POINDEXTER ACCOUNT: "Mr. FOLEY. Speaking of the Attorney General [see 85/12/04-255], you testified this morning, I believe, that you assumed he knew about the sale of arms to Iran in '85 by something like January, early January? "Mr. POINDEXTER. No, I didn't really say it quite that way. I said I had no specific knowledge that Ed Meese was aware of those shipments.

"I also said, although I couldn't remember the conversation specifically, that in the 7 January meeting in the Oval Office, we discussed this issue, my notes would indicate that I probably talked about the 500 TOWs, but I can't be certain of that.

"Mr. FOLEY. Did you--

"Mr. POINDEXTER. And in the 16 January meeting, I said I couldn't remember specifically addressing the '85 shipments, but I find it hard to believe that we didn't touch on those.

"Mr. FOLEY. Of your own knowledge, you don't know if the Attorney General was ever briefed by anyone in the National Security Council or the staff?

"Mr. POINDEXTER. On the '85 shipments?

"Mr. FOLEY. On the '85 shipments.

"Mr. POINDEXTER. No, to my knowledge, the only opportunity that Ed Meese would have had to know about those would be in the two meetings that I described. That is all I know about it.

"Mr. FOLEY. Would it have been difficult for the Attorney General, in your view, to give an opinion as to the preferable means of sale without having some knowledge of the alternative that had been the practice in the earlier 1985 sale?

"Mr. POINDEXTER. I don't really know, Mr. Foley. You're going to have to ask the Attorney General."

(Poindexter Testim., JHICI, 7/21/87, at 141-42.)

86/01/07-110
JANUARY 7,

THE 1/7/86 MEETING ON THE IRAN INITIATIVE
DoS CHRONOLOGY:

DATE	GENERAL	CONTRAS	IRAN
1986			"Meeting at the White House among PRESIDENT, VICE PRESIDENT, WEINBERGER, MEESE, CASEY, REGAN, POINDEXTER, and GPS. GPS and WEINBERGER argue strongly against the Iran proposal, but everyone else favors going forward." (JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 86/01/16-150.)
86/01/07-130 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE REGAN ACCOUNT: "Mr. SMILJANICH. At the meeting of Janaury 7, you expressed the view of moving forward with this initiative, is that correct? "Mr. REGAN. Yes. I guess I'm a born loser. Having lost in the first time around, why try it again? "Well, it seemed again a worthwhile effort. I come back to the fact that it is important that we have contacts with Iran. Let's do all we can to maintain some liaison there in the hopes of continuing to be at least neutral, if not pro-Western, and, accordingly, if we could make contacts higher up in that government, all right, let's try it again. "Mr. SMILJANICH. But a large part of your thinking at that time had to do with the information that Admiral Poindexter had given you after coming back from the Christmas vacation? "Mr. REGAN. Oh, it was based entirely on what I had been told. I had no first-hand knowledge of this. I hadn't anticipated any conversations with any of the other people.

"Mr. SMILJANICH. Now, do you recall that at the January 7th meeting, first of all, Secretary Shultz was present, is that correct?

"Mr. REGAN. Yes.

"Mr. SMILJANICH. Secretary Weinberger?

"Mr. REGAN. Yes.

"Mr. SMILJANICH. The Attorney General?

"Mr. REGAN. Yes.

"Mr. SMILJANICH. Do you recall that the plan that was discussed during that meeting involved 4,000 TOWs total?

"Mr. REGAN. Up to 4,000 TOWs. It was not to be 4,000 TOWs all at once, but it would--the permission was being sought to utilize up to 4,000 TOWs.

"Mr. SMILJANICH. And part of the plan was that a first shipment of 1,000 TOWs, missiles, would be sent to Iran in exchange for which all of the hostages would be released? All of the hostages, is that correct?

"Mr. REGAN. Yes.

"Mr. SMILJANICH. That was the plan that was discussed then?

"Mr. REGAN. Yes.

"Mr. SMILJANICH. At the January 7th meeting, Secretary Weinberger expressed some concerns about the legality of this operation. Do you recall that?

"Mr. REGAN. I don't recall it being Secretary Weinberger. It is probable that he did so. But I know somebody raised objections.

"Mr. SMILJANICH. About the legality?

"Mr. REGAN. Yes.

"Mr. SMILJANICH. Did the Attorney General express an opinion about the legality at that meeting?

"Mr. REGAN. As I recall, he did, and he assured us that this would be legal if there were a finding.

"Mr. SMILJANICH. Did he indicate the basis for that opinion?

"Mr. REGAN. I don't recall his giving the basis. He may have.

"Mr. SMILJANICH. Well, did he tell you or the group that he had read the statute and recalled reading an opinion of his predecessor from five years before?

"Mr. REGAN. I do recall somebody bringing that up, and it is possible it was the Attorney General, about the William French Smith opinion.

"Mr. SMILJANICH. Do you recall him indicating that he had . . . had his staff do any kind of research back at Justice?

"Mr. REGAN. No. I don't recall that amount of detail.

"Mr. SMILJANICH. And the President decided at that meeting on January 7 that he wanted to move forward with this?

"Mr. REGAN. Yes."

(Regan Testim., JHICI, 7/30/87, at 40-43.)

86/01/07-131
JANUARY 7,
1986

THE 1/7/86 MEETING ON THE IRAN INITIATIVE
REGAN ACCOUNT:

Regan testified on Poindexter's view in early January that a new plan had been devised for the Iran Initiative:

"Mr. REGAN. As I recall, on January 7th he did go into some detail as to what the new plan would be, or that there would be a new cast of characters and that he would--I think he forecast--that he would be going inside Iran to make contacts within the country itself.

"And that is what led me to change my mind about whether we should take another chance or not.

"Mr. COHEN. I think you pointed out the irony involved. Apparently you were never told about the structure of how it was to be handled in terms of the shipment and the payment. No one told you about that?

"Mr. REGAN. No.

"Mr. COHEN. Your understanding was it would all be handled by agents working on behalf of the U.S. Government?

"Mr. REGAN. Yes.

"Mr. COHEN. And with your vast commercial experience, you know that people who are outside agents or independent agents don't work for free?

"Mr. REGAN. That's true.

"Mr. COHEN. You assumed these would be people acting on your behalf?

"Mr. REGAN. I didn't look at it in that much detail. I just thought they would be automatic military to military, and whoever handled these things on a military basis. I didn't know they were bringing civilians into it.

"Mr. COHEN. Did you still think it was a bad idea that you indicated you approved of going forward?

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			"Mr. REGAN. In retrospect, I think it was a horrible idea that we went forward with it a second time. I think we should have stayed out of it entirely. "Mr. COHEN. I think you indicated that response, when Bud McFarlane said it was a bad mistake, you were quoted as saying, 'When you get lousy advice, you get lousy results.' "Mr. REGAN. That's right. "Mr. COHEN. Did you feel that way on January 7th? "Mr. REGAN. On January 7 I felt we were getting good advice. "Mr. COHEN. What had changed? "Mr. REGAN. Well, it's just that McFarlane was steamed up about this, enthusiastic, thought it was a new opening, that it was a wedge that we had to pry open that contact with Iran, and he thought it would succeed." (Regan Testim., JHICI, 7/30/87, at 120-22.)
86/01/07-137 JANUARY 7 AND 16, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT POINDEXTER ACCOUNT: "Mr. RODINO. . . . Admiral Poindexter, there was some testimony relating to meetings that you held at which w[as] present Attorney General Meese, among others, to consider the question of structuring the transaction and discussing the finding of January. Do you recall that? "Mr. POINDEXTER. Yes. There was one meeting that I held on January, the 16th. "Mr. RODINO. There was another--wasn't there

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			another also on January 7? "Mr. POINDEXTER. Yes, but that was a more general meeting with the President at which we discussed the strategic objectives, what the pros and cons were, and the fact that it could be done legally with a finding, but at that meeting of the 7th we did not get into the details of how a finding would be constructed. "Mr. RODINO. I take it from your testimony that you said that your understanding of the Attorney General's position was that although we could continue to do it that way, that it had been done earlier, that it was easier to support and clearly if we did it direct. Is it fair to say that from that testimony that the Attorney General knew how it was done earlier? "Mr. POINDEXTER. That I think would be an inaccurate interpretation of what I said. Up until the 16th of January, I thought that the Attorney General was agreeing that we could transfer the arms under the Arms Export Control Act, which was the way that the earlier shipments had been done. But I don't think it is fair to conclude that I can specifically say that Ed Meese knew about the earlier shipments. I have testified on that just earlier today. I think those shipments may very likely have been discussed, but I can't absolutely confirm that. Certainly the method, the use of the Arms Export Control Act, was clearly discussed. "Mr. RODINO. Well, I am trying to focus in my mind just how Ed Meese might have been able to then give you a legal position or to tell you if

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DATE	GENERAL	CONTRAS	IRAN
			he had no knowledge. "Mr. POINDEXTER. The bulk of the discussions on the 7th and the detailed discussions on the finding on the 16th were all oriented toward the future as to what we were going to do in the future. Now, I said earlier in testimony that my assumption was that we probably did discuss those earlier shipments, but I can't remember for sure that we did. We certainly talked about the method that was used. "Mr. RODINO. Yes, I know you did state this morning, I think in answer to the question from Congressman McCollum, that you found it difficult to believe that we didn't get off on the 1985 shipment, although you did say that you couldn't recall it specifically. Neither could you rule it out? "Mr. POINDEXTER. That is right. I have tried to be very factual here." (Pointexter Testim., JHICI, 7/21/87, at 178-80.)
86/01/07-140 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE MEESE ACCOUNT: The Attorney General testified in his opening statement: "My first exposure to the Iran Initiative was in reality rather brief. I recall on the 7th of January, 1986 being asked to attend a meeting with the President in the Oval Office, along with other members of the Cabinet and other members of the White House staff. Parenthetically, let me state that my calendar shows, and I have been told by others, that on the previous day, the 6th of

DATE	GENERAL	CONTRAS	IRAN
			January, the Deputy Attorney General, Lowell Jensen, and I met with Lieutenant Colonel Oliver North who gave us a short briefing on an Iranian Initiative. I do not specifically remember that meeting, but I am satisfied that it took place. "At the meeting on the 7th of January in the President's office, Admiral Poindexter and Director Casey raised the proposed Iran Initiative. As described, the initiative involved overtures to more moderate elements in Iran, and the cultivation of a relationship that could in the future be to the geopolitical advantage of the United States. "The proposal was also described as possibly helping to end the long Iran-Iraq War. The initiative was also seen as a means of decreasing Iranian sponsorship of terrorism, forestalling Soviet designs on the area and gaining Iranian assistance for the release of the Americans then being held hostage in the Middle East. "We discussed the Israeli suggestions concerning the initiative, especially concerning a transfer of arms from the United States and assistance in the release of hostages from Iran, as a means of establishing with each side the good faith of the other. I was present at that meeting both as the President's legal advisor and as a member of the Cabinet and of the NSC. "One legal issue that was raised concerned the appropriate statutory authority for an arms transfer as part of the strategic initiative. Based on my familiarity with a 1981 opinion by then-Attorney General William French Smith, I

concurred with the view of Director Casey that it would be legal for the President to authorize arms transfers pursuant to the National Security Act.

"Admiral Poindexter and Director Casey favored the initiative. Secretary Shultz and Secretary Weinberger opposed it. My own counsel was that, while a very close question, the benefit seemed to slightly outweigh the risks, especially since I had the impression at that time that a timeframe of 30 to 60 days was contemplated and that the risks were, therefore, short-term.

"It's my recollection that the meeting included a brief discussion that a Presidential finding would be necessary because of the proposed involvement of the Central Intelligence Agency. I believe there was also a discussion of the necessity of notifying Congress and the legality of delaying that notification because of the extreme hazard to the hostages and others. I do not recall anyone at the meeting arguing in favor of immediate notification.

"With regard to the legality of the delay, I do recall stating that I believed a short delay was appropriate but wanted to examine the statute before I agreed that such a postponement would be permissible. At the conclusion of the meeting the President decided that the project was worth pursuing and directed Admiral Poindexter and Director Casey to proceed.

"I should add parenthetically that it was not my understanding at the meeting that anyone was discussing arms for hostages transactions or that the President understood the proposal in those

DATE	GENERAL	CONTRAS	IRAN
			terms. Quite the contrary, no deals were to be made with any of the groups who had taken or were holding American hostages. The President was very firm on this point. A limited number of defensive weapons were to be sold to certain Iranians to demonstrate the United States' good faith. They, in turn, as a display of their good faith, were to negotiate separately with forces in Lebanon for the return of the American hostages. No direct dealings with the hostage-takers nor the payment of any type of ransom was ever contemplated." (Meese Testim., JHICI, 7/28/87, at 4-7.)
86/01/07-141 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE MEESE ACCOUNT, Part 1: "Mr. NIELDS. And the [meeting] on the 7th included various members of the Cabinet, Director Casey, Admiral Poindexter, Secretaries Shultz and Weinberger, and the President? "Attorney General MEESE. Yes, sir, and also the Vice President, I believe--I don't know whether you mentioned Donald Regan, the Chief of Staff of the White House, and it is possible there may have been one other person there from the NSC staff. I can't remember for sure. ". . . . "Mr. NIELDS. I take it one of the issues on which you were consulted during these meetings was the policy question of whether it was wise to sell arms to Iran under the circumstances? "Attorney General MEESE. In the meeting on 7 January with the President, the issue of whether the Iranian initiative, and it was never confined

to selling arms per se, it was a total initiative, it had several objectives which I related in my opening statement, but to again refer to them, first it was always in the light of this being a very dangerous area of the world. The presence of the Soviet [U]nion and the men as [sic (menace?)] to the region by the Soviet Union was one that was a part of the total backdrop of the discussion.

"The initiative had to do, first of all, with the objective of developing a channel of communication with elements in Iran. Iran has several factions in its Government and it was felt that one of the factions or representatives of one of the factions might be amenable to continuing communications so that we would be able to increase our influence over that government either in the near future or in the distant future when there would be a change in that Government.

"Secondly, an objective was to use contact with that element to try to end the Iran-Iraq war.

"A third objective was to again, through that medium, through those forces, to try to decrease Iranian participation in or sponsorship of terrorism.

"And fourthly, to encourage that group to use their influence to assist in the obtaining of the release of hostages that were being held in the Middle East.

"The transfer of weapons was a part, as I mentioned in my opening statement, of reciprocal good faith on both sides and the issue was discussed at great length, that was the primary discussion in the meeting on the 7th of whether this should be done or not.

"Mr. NIELDS. I take it that, I think you said you recognized it as a risky proposition, but on balance, you thought it should go forward. I would like to ask you whether a factor in your thinking was the question of whether the venture was likely to succeed?

"Attorney General MEESE. It was in part whether it was likely to succeed. There were risks involved in terms of the people who were involved in Iran. There were questions as to whether it would succeed. There were questions, frankly, about whether it was a good idea to include the transfer of arms as a part of the showing of good faith.

"All of these were aspects that were discussed at that meeting."

(Meese Testim., JHICI, 7/28/87, at 21-24.)

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JANUARY 7,
1986

THE 1/7/86 MEETING ON THE IRAN INITIATIVE
MEESE ACCOUNT, Part 2:

[Continuing from preceding entry:]

"Mr. NIELDS. Did anyone at that meeting or any of the other meetings during January make reference to the fact that Benjamin Weir had been released simultaneous with an earlier transfer of weapons?

"Attorney General MEESE. Counsel, I cannot recall whether that was mentioned or not at that meeting.

"Mr. NIELDS. Did anyone make any reference to any of the prior history of this initiative at that meeting?

DATE	GENERAL	CONTRAS	IRAN
			"Attorney General MEESE. No. At that meeting I do not remember any reference to the prior history of the initiative. I have thought afterwards that it is possible some people might have made allusions to it, but I would not have had the background to pick up the allusion if they had. "Mr. NIELDS. Did anyone, for example, make reference to the possibility that as a result of what had gone before it would be dangerous to the hostages' lives to stop now? "Attorney General MEESE. No, I don't recall anything of that nature. Everything that I recall about that entire meeting was that the whole project was prospective in nature. "Mr. NIELDS. Did anyone make reference to the fact that the most recent transaction, the one which you now know occurred in November of 1985, had caused the Iranians to be angry that it had been botched, and that it was important to repair the situation? "Attorney General MEESE. No, sir, I don't recall any discussion such as that. "Mr. NIELDS. I take it that another issue on which your advice was sought was the propriety of not notifying Congress at the time. "Attorney General MEESE. There was a brief discussion of that--actually I think Director Casey raised that issue, said that he and his counsel felt it would be appropriate to delay the notification of Congress. There was discussion about notifying Congress as soon as possible and I believe there was discussion at that session that

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			we wouldn't even wait until the hostages were back in Weisbaden, I think that is where they had planned to take them, but as soon as they were on board the planes and under U.S. control, that there would be an immediate notification of Congress. "Mr. NIELDS. And I take it eventually you concurred in that procedure? "Attorney General MEESE. I said I thought that that is correct, but I wanted to check the law first, which I did, and then gave my views in more detail or at least my concurrence with CIA view of 16 January." (Meese Testim., JHICI, 7/28/87, at 24-26.)
86/01/07-145 NOVEMBER 1985 - JANUARY 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT POINDEXTER ACCOUNT: "Mr. McCOLLUM. Let me ask about Attorney General Meese. I want to clear up one or two things. A lot of people have asked questions about his knowledge. I particularly am interested in what you know as to the degree of knowledge, if any, the Attorney General had about the 1985 arms shipments, particularly the November ones. "Prior to November, 1986, I think that's the critical cut-off date, he obviously got involved at that point, in fact, that was the center question in November 20 and 21. What, to your knowledge, did Attorney General Meese know about the November, 1985, arms shipments or for that matter the September ones? Prior to November, 1986?

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"Mr. POINDEXTER. Well, of course, Mr. Meese was not involved in the issue until sometime after 7 December 1985. He was not involved in that meeting and I don't believe that Mr. McFarlane had spoken to him about the Israeli proposal before that time.

"I brought him into the situation in December, '85, January, '86. I don't recall specifically talking to Ed about the shipments that had been made in 1985. However, my notes for briefing the President on Nir's visit on January 2nd, 1986, my notes that were later made up, indicate that I did talk to the President about the TOWs that had been shipped.

"For some reason, at the time I did not have on my list of things a discussion of the Hawks; and I don't know exactly why I didn't have that.

"Now, I used those same notes by my recollection in the 7 January, 1986, meeting in which Ed Meese was there; so although I can't be certain, we may very well have discussed the TOW shipment in that 7 January, '86, meeting. It certainly would not have been a big issue.

"Mr. McCOLLUM. That would have been the September shipment?

"Mr. POINDEXTER. The September, right.

"Mr. McCOLLUM. But the November one?

"Mr. POINDEXTER. I don't think--I don't have any notes or any recollection of discussing that in the 7 January meeting because--and if we touched on the TOWs, it would have been just as a peripheral issue, because the 7 January meeting was focused on the future.

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			"Mr. McCOLLUM. But the Hawk shipment, the November, 1985, one that got him so concerned in November, '86, you didn't touch on that at all? "Mr. POINDEXTER. I don't have any indication that we discussed that in the 7 January meeting. "Now, in the 16 January meeting, the day before the final version of the finding was signed, I don't recall specifically, and I have said that several times in these hearings, because I want to be careful not to imply something for certain that I can't be certain about; and out of the thousands of conversations I had over the five and a half years in the White House, I simply cannot recall specifically all the conversations, and I don't think that should be considered unusual. "In the--in the 16 January meeting, I find it--although I can't recall specifically the conversation, I find it difficult to believe that we didn't get off on a discussion of the 1985 shipments. But-- "Mr. McCOLLUM. You have no recollection? "Mr. POINDEXTER. I have no recollection of it. "Mr. McCOLLUM. So from your actual recollection, you cannot testify that Attorney General Meese had any knowledge of the November, 1985, shipment prior to November, 1986? "Mr. POINDEXTER. That's a short answer to my long answer." (Poindexter Testim., JHICI, 7/21/87, at 20-23.)
86/01/07-146			THE 1/7/86 MEETING ON THE IRAN INITIATIVE:

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JANUARY 7, 1986			THE ISSUE OF CONGRESSIONAL NOTIFICATION MEESE ACCOUNT: "Mr. HATCH. As I understand it, the original deal proposed by the Israelis in early January, '86, was for the Israelis to sell the arms to Iran. What the Israelis wanted from us was an assurance that we would replenish their supplies. When were you told of this original plan? "Attorney General MEESE. I was told of that plan that I specifically recall on 7 January, '86. "Mr. HATCH. Whose idea was it to change the plan and to have us sell the arms directly to Iran under the National Security Act? "For instance, in his testimony, Admiral Poindexter suggested that you were the person who suggested that change. [See 85/12/04-255, and entries starting at 86/01/16-300.] Could you tell us the genesis of that change? "Attorney General MEESE. To the best of my recollection, it came as a result of a conversation in which I believe Director Casey, Mr. Sporkin, then the general counsel of the CIA, myself, Admiral Poindexter, possibly Secretary Weinberger, there may have been others participating, and at that time I remember being presented with a--or in the discussion, a variety of alternatives were presented. The plan suggested by the Israelis that you referred to, the idea of using an international arms merchant and the idea of using the CIA directly involved in the arms transfer. [Sic.] "I believe it was probably--I don't know to what extent it came from Mr. Sporkin or could have

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			come from Director Casey, but the fact that the National Security Act provided specific authorization for the CIA to carry out a mission such as this, I think gave to all of us who were participating[,] at least, the lawyers participating, the feeling that that would be a way of carrying out the mission that was more consistent with the language of the National Security Act. "Mr. HATCH. Whose idea was it to not tell Congress about the initiative? "Attorney General MEESE. My recollection is that that was in the plan originally suggested by either Admiral Poindexter or Director Casey, suggested by the two of them [sic], and that either it was Admiral Poindexter or Director Casey who had mentioned that on 7 January, '86. "Mr. HATCH. As you read the statute, the Hughes-Ryan Amendment to the National Security Act, did you find a constitutional basis for the provision that allowed the President to withhold prior notice to Congress in special cases? "Attorney General MEESE. Yes, sir, I did. Both the language of the Act, which says that whatever was being enacted there was consistent with the constitutional duties and responsibilities of the President, and secondly, with the subdivision (b) of section 501, which has to do with, if prior notification is not provided, then timely notification should be provided." (Meese Testim., JHICI, 7/29/87, at 232-34. See id., 7/29/87, at 162-64 [the Attorney General on Congressional notification, generally]; 266-67

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			[Meese expanding on his view that a short delay in notifying Congress was authorized: "I would define the delay not really in terms of time, but in terms of the reason for the delay."].)
86/01/07-147 1985-86			IRAN ARMS TRANSACTIONS: CONGRESSIONAL NOTIFICATION POINDEXTER ACCOUNT: "Mr. BOLAND. Evidence has been presented to these committees indicating that notification to Congress of the Iran arms transaction would have been made either when the hostages were all released or when the administration's term of office was ending, whichever came first. Was that your understanding of the plan for congressional notification? "Mr. POINDEXTER. No, it was not. The way the President worded the preamble to the finding was worded [sic], it was up to him to decide when it was appropriate. I don't recall discussing exactly when that might be." (Poindexter Testim., JHICI, 7/21/86, at 46.)
86/01/07-148 JANUARY - NOVEMBER 1986			THE IRAN INITIATIVE: PRESIDENT'S POSITION ON THE HOSTAGES MEESE ACCOUNT: "Mr. BOLAND. As I understand your testimony, you had several meetings. These would be between January 7 and the 17th of 1986, you attended with the President on the Iranian initiative. Mr. Reagan was insistent no deals were to be made with any group holding hostages. "Secretary Shultz has testified that

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			information available to him caused him to conclude that Iran had absolute control over the hostages. "To our knowledge, was that information made available to the President? "Attorney General MEESE. I have no knowledge that it was. At all times--and I was only in one meeting with the President on this subject in January of 1986. But at other meetings, even as late November of 1986, when this matter was discussed as to the Iranian influence or the extent of this control, I believe we were advised by Admiral Poindexter, it may have been others, that while the Iranians had influence over the--those who were holding the hostages, they did not have control over them." (Meese Testim., JHICI, 7/29/87, at 265-66.)
86/01/07-150 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE WEINBERGER ACCOUNT, Part 1: "Mr. EGGLESTON. . . . Did you know in advance that this meeting on January 7 was going to deal once again with the Iranian Initiative? "Secretary WEINBERGER. I don't know whether I did or not. I don't think I did. There was a meeting called, it was in the Oval Office, I believe, and I don't know that we had any kind of advance indication of what the subject was. "Mr. EGGLESTON. Do you recall that the discussion at that meeting was once again the Iranian Initiative? "Secretary WEINBERGER. Yes, it was a replay really of the whole thing, and, again, I made the

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			same arguments with increasing force, but apparently less persuasion, and George Shultz did the same thing. "Mr. EGGLESTON. Had the views of the other people who attended the meeting changed by January 7? "Secretary WEINBERGER. Well, the President seemed to have had a different view by this time, to me. I reached a conclusion at the end of the meeting the President now favored the plan. "Mr. EGGLESTON. And Secretary Shultz and yourself were still arguing vehemently against the plan. "Secretary WEINBERGER. Oh, yes, we were indeed. "Mr. EGGLESTON. Mr. Casey was at the meeting? "Secretary WEINBERGER. Mr. Casey was in several of the meetings. Mr. McFarlane [sic (McMahon?)] represented him once or twice. I believe Mr. Casey was at this meeting in January. "Mr. EGGLESTON. Do you recall what his view was? "Secretary WEINBERGER. He seemed to feel there would be an intelligence gain from the operation if it succeeded. "Mr. EGGLESTON. You indicated that at the December 7 meeting you had made a very strong legal objection-- "Secretary WEINBERGER. Among others. It was simply one of the many points I was urging, and it was directed entirely at the Arms Export Control Act." (Weinberger Testim., JHICI, 7/31/87, at 107-09.)

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86/01/07-151 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE WEINBERGER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. EGGLESTON. . . . [W]as there any discussion of your real objections at this meeting on January 7? "Secretary WEINBERGER. Yes. In January, the Attorney General was present and gave the President an opinion that there were other ways, other procedures under which the transfers, if the President so concluded, that he wanted to do, could be used, that we didn't have to use the Arms Export Control Act, that there were earlier opinions and that the Attorney General concurred in those, that there were ways this could be done, and you didn't have to use the specific statutes. "Mr. EGGLESTON. Do you recall if the Attorney General at that time gave an indication about what those alternative ways were? "Secretary WEINBERGER. No, he didn't. He simply advised the President there were other ways this could be done and that the objections that were raised about the Arms Export Control Act were indeed valid but that that act did not have to be used. "The President, I think he spoke of the President's inherent power as Commander in Chief, the President's ability to conduct foreign policy, and I am not sure whether he referred to an earlier opinion that his predecessor, William French Smith, had given, but I believe that there was a reference to that.

"Mr. EGGLESTON. That earlier opinion makes reference to a transfer under the Economy act from the Department of Defense to the CIA and then pursuing that by covert action finding. Did you know that as of that time?

"Secretary WEINBERGER. No. That degree of specificity wasn't there, but the point was made that, and I had not seen the earlier opinion of the Attorney General predecessor at that time. The point [was] made to the President [t]hat, Mr. President, if you decide you want to do this, you can do it, and you don't have to use the Arms Export Control Act, there are other ways it can be done.

"Mr. EGGLESTON. Do you know why it was that the President's position on this issue had changed over the month?

"Secretary WEINBERGER. No, I don't.

"Mr. EGGLESTON. Was there any discussion about factors or things that had changed?

"Secretary WEINBERGER. No. The meeting, as I said, in January seemed to be very much a re-run of the December meeting with the exception that I noted. That is to say, I made the same point, George Shultz made the same points. Bill Casey felt that there would be an intelligence gain, and there was also talk of the hostages as one of the motivating factors, but not the motivating factor, but the responses of the [P]resident seemed to me to indicate he had changed his view and had now decided he wanted to do this.

"Mr. EGGLESTON. . . . [W]as a decision actually made at the January 7 meeting?

"Secretary WEINBERGER. [N]o.

"Mr. EGGLESTON. It was your impression--

"Secretary WEINBERGER. At least there was no announcement of any decision, there was no formal issuance of any order, anything of that kind.

"Mr. EGGLESTON. So you felt the President was leaning toward going forward?

"Secretary WEINBERGER. I felt he pretty well decided, yes.

"Mr. EGGLESTON. But he had not actually made a decision.

"Secretary WEINBERGER. That is correct, sir, yes."

(Weinberger Testim., JHICI, 7/31/87, at 109-11. See Weinberger, House Dep., 6/17/87, at 17-20, 41-50 [the 1/7/86 meeting].)

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THE 1/7/86 MEETING ON THE IRAN INITIATIVE:
WEINBERGER'S OPPOSITION AND WHY THE INITIATIVE CONTINUED

WEINBERGER ACCOUNT:

"Mr. SARBANES. . . . [O]n the 19th of June in 1985, when you reviewed the National Security Decision Directive, you wrote, and I quote, 'This is almost too absurd to comment on.' And yet six months later it became the policy of our country, essentially, in terms of the proposition contained therein.

"And you have been asked this, but I want to pursue it a little more. What kept us moving, what was the driving force?

"Now, . . . you went to the December 7 meeting where you argued very forcefully against it and

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			came back and, as I had a very graphic description that this had ended. On the 7th you came back to another meeting, the 7th of January, a month later, actually the President the day before had signed a finding, Chief of Staff Regan thought it was probably in mistake, that it was really a draft finding but in any event, the President had signed a finding to move ahead with sending the arms. "So when you went into the meeting on the 7th, the President had already done that the day before. Did you have a sense at the outset of that meeting that the decision had already been made that you, in effect, were in a stacked meeting? "Secretary WEINBERGER. I don't think at the outset, Senator. But as the meeting progressed, and as the points that I made seemed quite clearly not to be having any effect and from time to time were refuted or differing viewpoints were expressed, I got the impression, as I mentioned, at the end of that meeting, that the President had decided the other way." (Weinberger Testim., JHICI, 7/31/87, at 212-13.)
86/01/07-157 JANUARY 7, 1986			HOSTAGE RELEASE: DoD ALTERNATIVES WEINBERGER RESPONSE TO POINDEXTER: "Mr. SARBANES. Now, in questioning of Admiral Poindexter before this committee, he was asked, it was pointed out to him that Secretary Shultz and Secretary Weinberger expressed very strong opposition to this Iranian initiative. 'I am curious if on that occasion or at any other time,

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			to your knowledge, Secretary Shultz or Secretary Weinberger offered to the President any alternatives for getting the release of our hostages, alternatives to this Iranian initiative?', describing the initiative that was embarked upon. "'Did they offer any alternatives to the President about how he might do it in other than this Iranian play that you were engaged in?' "And Admiral Poindexter responded: 'They did not.' "He was then asked: 'At any time after that did they?' "And Admiral Poindexter said 'no, nor to my recollection any time before that. I just don't think that their staffs had this as a high priority item on which they were working and coming up with options. The fact is they did not come up with any initiatives.' [See 85/12/07-165 for Poindexter's testimony.] "Now, recognizing security concerns, I would like you to, within that constraint, address this assertion that you did not offer any alternatives with respect to the hostage issue. "Secretary WEINBERGER. I would have to say, Senator, that I think virtually all of those statements that you have quoted are wrong. Alternatives were discussed. "My staff and the Defense Department regarded this as a very high priority, and had alternatives, and those alternatives were presented. I am not able to go into them in open session, but I have discussed them in closed

portion of the deposition.

"For you personally or, however you would want to do it, in closed session, I would be glad to develop them further, but that is simply not correct that there were no other alternatives.

"Mr. SARBANES. I am familiar with the substance of that testimony, but I thought it was important in the public record at least to have--to give you the opportunity to respond to the testimony of Admiral Poindexter that you did not offer any alternatives to the President with respect to obtaining the release of hostages.

"Secretary WEINBERGER. I appreciate that opportunity, and I have availed myself of it." (Weinberger Testim., JHICI, 7/31/87, at 213-14. See id., 8/3/87, at 65-68.)

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HOSTAGE RELEASE: DoS ALTERNATIVES
SHULTZ RESPONSE TO POINDEXTER:

"Mr. TRIBLE. . . . [O]n July 21st, Mr. McCollum asked, 'I am curious if Secretary Shultz or Secretary Weinberger offered the President any alternatives for getting the release of our hostages, alternatives to this Iranian initiative. As I recall, you said the President had expressed a desire to explore every avenue possible to get the hostages back. Did they offer any alternatives to the President?'

"'Mr. Poindexter: They did not.'

"'Mr. McCollum: At any time after that, did they?'

"'Mr. Poindexter: No, nor to my recollection any time before that. The NSC staff, I feel, was

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			the driving force from the very beginning in trying to figure out how to get the hostages back. I don't mean to imply that other Departments and other officials were not concerned about the hostages, but very frankly, I don't recall a single recommendation from those two Departments on initiatives to accomplish that objective.' [See 85/12/07-165 for Poindexter's testimony.] "Surely that can't be the case, Mr. Secretary. "Could you respond? "Secretary SHULTZ. There is an ongoing program to find out through direct contacts, through intelligence, in any way we can, information about our hostages, to see if we can find out where they are, to talk to people who may have information about them, to stay in touch with the families so that they know always that there is some place, there is a person in the government who is trying to keep track. It is hard. It hasn't been successful in the case of those held in Lebanon. "On the other hand, it has been successful in other cases. . . . "But I look at the brilliant innovations that were produced, a terrific idea, let's trade the Dawa prisoners for the hostages--fantastic. Lord deliver us from such bright ideas as that. "But it is hard. You know, there are held in and around Beirut probably, there are, I think, 24 hostages, nine of whom are Americans. There are eight other countries that have hostages there. It is very frustrating and it is--and we wish we could find the answers to how to get them out, but

I don't think the answer is to give the hostage-takers what they want in terms of things like releasing the murderers who are being held in Kuwait. That is not an answer; that is not a bright idea.

"Now, as far as other things are concerned, the fight to do something about terrorism under the President's direction has been led right out of the State Department. We have been very strong and determined, and we have made a lot of headway for the United States and other countries in that fight.

". . . .

"So to say that I or others in the State Department never had any ideas or never did anything, I just don't accept that as a description of the reality. But as far as the hostages are concerned, we try and try, but obviously we haven't succeeded.

"But the brilliant ideas cooked up by the NSC staff are not the answer. They are--that was a catastrophe."
(Shultz Testim., JHICI, 7/24/87, at 75-79 [quoting Poindexter Testim., JHICI, 7/21/87, at 15-16].)

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THE 1/7/86 MEETING ON THE IRAN INITIATIVE:
SHULTZ ON THE 1/6/86 FINDING
SHULTZ ACCOUNT:

"Mr. BELNICK. . . . Were you informed by Admiral Poindexter at that January 7 meeting that just one day earlier, on January 6, the President had signed another finding with respect to arms shipments to Iran from the United States?

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			"Secretary SHULTZ. That was never mentioned in that meeting." (Shultz Testim., JHICI, 7/23/87, at 17.)
86/01/07-202 UNTIL NOVEMBER 25, 1986			OBJECTIVES OF THE IRAN INITIATIVE: SHULTZ' VIEW POINDEXTER ACCOUNT: "Mr. LIMAN. Did the Secretary of State ever express in your presence his view that this was not the way to open the door to better relations with Iran by dealing with Mr. Ghorbanifar and the second channel? "Mr. POINDEXTER. I would characterize, by my recollection anyway, the Secretary's position as being that he didn't think that arms should be involved in getting over the first hurdle. I don't think he particularly had a problem with Mr. Ghorbanifar as a channel into the Iranian Government. He didn't have any problem with the strategic objectives that we had in sending Mr. McFarlane to Tehran. In fact, my recollection is that George cleared off on the terms of reference, and, in fact, he--at his suggestion, we later used the same terms of reference for a slightly different purpose in terms of trying to respond to what we saw as reaching out by the Iranian Government. "Because the Israeli Channel was not the first contact that we had had or attempted contact that we had with Iran, and it was not the last." (Poindexter Testim., JHICI, 7/15/87, at 184.)
86/01/07-206			THE 1/7/86 MEETING ON THE IRAN INITIATIVE

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JANUARY 7, 1986			SHULTZ ACCOUNT: "Mr. BELNICK. . . .[O]n January 7, 1986, there was a meeting at the White House among . . . pretty much the same principals who had attended back on December 7, except that Attorney General Meese was at the January 7 meeting, as was Director Casey. "The proposal that Mr. Nir had brought was put on the table, and you and Secretary Weinberger argued against it again? "Secretary SHULTZ. Right. "Mr. BELNICK. What was the President's position? "Secretary SHULTZ. Well, it seems to me that as people around the room talked, that Secretary Weinberger and I were the only ones who were against it. And so that included everybody who was there on the other side of the issue, which surprised me, and it almost seemed unreal, and I couldn't believe that people would want to do this. I thought it was a bad idea. "Mr. BELNICK. When you left that meeting, did you feel that a final decision had been made by the President to go forward? "Secretary SHULTZ. Well, it was very clear to me that he wanted to push in that direction. But, of course, I had been there before, in the sense of things starting and not really jelling, so I went away puzzled, distressed. "Again reminding you of the difficulties I had with the intelligence and security people about lie detector tests, I was continually concerned about that. I didn't debrief, so to speak, at the

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			department to my executive assistant, so I don't have any notes on that meeting. But I do remember it very well. "Mr. BELNICK. Mr. Secretary, feeling as you did at the time that the President may have reached a decision and was heading toward a final decision in favor of a policy that you thought would be disastrous, did you seek to speak to the President alone about that matter? "Secretary SHULTZ. No. I didn't. But there was no doubt in the President's mind about my opinion. It wasn't as though there was something that I had missed or that I felt he hadn't quite gotten. I felt I had made myself very clear." (Shultz Testim., JHICI, 7/23/87, at 82-84. See id., 7/24/87, at 218-19 [Shultz' opposition at the 1/7/86 meeting].)
86/01/07-220 1985-86			THE IRAN INITIATIVE: SHULTZ' OPPOSITION SHULTZ ACCOUNT, Part 1: "Mr. HYDE. Now, Mr. Secretary, I can't escape the notion that had you opposed this flawed policy and were willing to resign over this policy difference as Secretary Vance resigned or over a policy difference with the previous President, you could have stopped it dead in its track and if you couldn't, you and Secretary Weinberger sure could. "Now, it is easy to be critical of you talking to the President and not saying, 'Mr. President, if you do this, because I love and respect you, you got to do it without me and you got to do it without Cap.' "I cannot believe if you had been that

forceful and that committed to opposing this flawed initiative as much as Poindexter and North were committed to advancing it, you couldn't have stopped it dead in its tracks and I ask you if that is not so.

"Secretary SHULTZ. I doubt it very much. And I will describe to you my own thinking and course of action.

"As I have thought about and looked at what happened, there is a sense in which it falls into in a sense three time periods. And I, as the testimony here has brought out, was opposed to this from the beginning, really even before the President got engaged in it, and I won't go through all of the sequence that has been gone through here.

"The first period was from sometime in the middle of 1985 through, say, the middle of December 1985.

"During that period, I unearthed it, I opposed it, I thought I had taken part in killing it on more than one occasion. I saw a draft decision that I disagreed with in writing.

"I argued with it in cable traffic when I was away, and I argued against it with the President on two occasions that I recall precisely because of my notes, and I was joined by Secretary Weinberger and in the end, as it turned out, the President agreed with us in the sense that he dispatched Mr. McFarlane on his mission to London with the kind of instructions that we thought were proper.

"So something came up, it was a strong

proposal, it was clear as it went on that the President had a desire to do it, and I didn't just say, 'Well, you seem to be leaning against me, I am going to resign.'

"I thought about it, and I don't say I prevailed. The President listened to everything and he decided what he decided. So that is episode No. 1.

"I don't think--would you have said that I should have sat there on December 7 in the White House and said, 'Mr. President, I see you are wa[]vering and if you should decide against me, good-bye?' That is not the way to play this game at all.

"I am there to help the President, not make his life more difficult.

". . . .

"The second episode goes as I see it between early January 1986 and late May-early June or so, in my way of thinking.

"There we had a proposal made brought to us by the Israelis which became the topic of a meeting, and I took a position in that meeting, and so did Secretary Weinberger, and while there was no decision made at the meeting that I recall, I certainly did have the sense that Secretary Weinberger and I were on one side of the issue and everybody else, including the President, was on the other side, and that somehow or other this was going to move ahead.

"So again I didn't say, 'Agree with me or good-bye.' And I don't want to sort of overplay this, but I keep trying to call this committee's attention to the fact that there is a lot more going on around the world than this particular set of events, and we were heavily engaged under the President's leadership in doing a lot of things that were very positive.

"So always in the question of whether you resign or not is the question of the chance to help the President accomplish some positive things, plus the fact, as I have said here, nothing ever gets settle[d] in this town, and you can say, 'I will give up and leave or I will stay and fight.'

"So in this case, obviously after the January meeting, I was surprised really at its outcome, but I stayed and waited. I made a statement to Admiral Poindexter which we reviewed here that I wanted to be informed of things that would affect my job as Secretary of State, but as he pursued this, the operational details that he would have to do, he didn't have to inform me about that, and I explained why I said that [see 86/05/00-605].

". . . ."

(Shultz Testim., JHICI, 7/24/87, at 87-90.)

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THE IRAN INITIATIVE: SHULTZ' OPPOSITION
SHULTZ ACCOUNT, Part 2:

[Continuing from preceding entry:]

". . . .

"Mr. HYDE. . . . I would like to get back to the use of a meaningful threat to resign as a deterrent to a flawed policy, as we have ballistic missiles on the hope that we'll never use them. It would seem to me that you and Secretary

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			Weinberger, as being number one and number two in the Cabinet, if you both said, 'Mr. President, this policy is a disaster and we hereby tender our resignations, it is so bad' --I would hope he would not accept them. I don't believe he would, but I think it would have been a very forceful way to bring home to him the consequences of what he was doing. Yes, there were other things going on, but you-- "Secretary SHULTZ. I didn't rest my answer entirely on other things going on, although I think it is quite relevant when you see the kind of accomplishment that President Reagan has led us to, to feel that--and you have a chance to play a part in it--to feel that that is a worthwhile thing. However, insofar as this particular initiative is concerned, there was this period between early January and late, end of May or so, along in there, where something was going on. "I had made a statement to Admiral Poindexter that I've explained why, and then various things came my way. From time to time, I asked him, 'What's going on?' And what I got was not candid. And then I received information about, as we testified here, I testified here about the mission to Frankfurt initially proposed. And I asked that there be written instructions, and that was done, and I saw them and I thought they were perfectly proper, and if what was described to me by Admiral Poindexter had actually taken place, it would have been terrific. And that fell apart. And I--so my assumption was there's nothing going on here. I did not know that there had been a finding, and my

assumption was they are doing things but they aren't getting anywhere, which is what I thought would likely be the case anyway.

"Then I get this cable when I'm in Tokyo about this deal that was apparently proposed, and that was a specific thing, and I was surprised by that and upset by that, and I marched over to the Presidential area of the hotel and I talked to Don Regan and, at some point in through there, John Poindexter; I was told by Poindexter, 'We are not dealing with these people, this is not our deal.' [See 86/05/00-600, -607.] And what do I find out in the course of your investigation here? I find out that the next day, I guess, or shortly thereafter, Admiral Poindexter is sending Colonel North off to do something that looks suspiciously like the deal that he denied, and telling Colonel North, 'Now the last thing in the world you want to do is don't go anywhere near the mission in London.' [See 86/05/05-200.] But he gave me reassurance it's not our deal. And I objected. I didn't throw that cable away; I did something about it.

"And then comes early June, I guess it was, or sometime in there, when it became known to me, I don't recall exactly how it became known to a number of people that there had been the mission to Tehran, and it had fizzled, and Admiral Poindexter told me then the whole thing had been told to stand down. So at that point, I don't have anything to resign about.

"Subsequently, a couple other things took place that gave me the feeling as I've described

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			them [sic] here, that we were going forward with the effort with Iran, which I thought was something worth doing--I always did--in a proper way. So I have no, no problem. And I thought, not that I had won but that the--this is the way it had come out. "So that is my line of reasoning, Congressman, for whatever it's worth. But, as I said yesterday, I don't think you can do a job like mine well if you want it too much. And I have never hesitated in my time in the Cabinet to speak up to Presidents or to resign, if I felt the situation warranted it. In this case, I looked at it the way I did." (Shultz Testim., JHICI, 7/24/87, at 91-94.)
86/01/07-222 1985-86			THE IRAN INITIATIVE: SHULTZ' OPPOSITION SHULTZ ACCOUNT, Part 3: [Continuing from preceding entry:] "[Secretary SHULTZ.] Now, I said right here in this room the first time I testified on this subject in public session, I said, 'I don't give myself A-plus in all this,' and I looked and I asked myself, did I do enough, could I have done more? "But I have to tell you, Congressman, that as this hearing has gone on and I've seen in the form of these PROF notes and so on the systematic way in which the National Security Council staff deliberately deceived me, I might say long before I made the comment to Admiral Poindexter about not needing to know about the details, this was not something that started after that, long before and

afterwards, that my sense of 'did I do enough' has to a certain extent given way to a little edge of anger about it.

"So anyway, that's my story and there it is.

"Mr. HYDE. Well, Mr. Secretary, let me just say this. Your advice was the sound advice and the right advice, and might have saved an awful lot from happening that we're not through with yet, and it is simply my position that I wish you had done everything humanly possible, and you have indicated that you think you did, although on the 21st of January when you testified, you said you should have been more aggresssive in probing this. But all I'm saying is--

"Secretary SHULTZ. My colleagues say I'm too self-critical. I am. I worry about these things. And as I say I don't give myself A plus or anything like that in all of this. But, as I also said, I had no idea of the misrepresentations that characterized this whole thing. And in response to Senator Trible just now, not having to do with the Iran business at all but in response to a legitimate congressionally, statutorily proper solicitation of funds from Brunei, we were given a number to use and told this was a number controlled by the freedom fighters, and the note that Senator Trible read out showed that Admiral Poindexter knew absolutely well that they controlled that number or their colleagues did, and they were deceiving us.

"Mr. HYDE. Mr. Secretary, my time is up. I just want to say I guess the bottom line with me is I'm glad you didn't resign, but I wish you had

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			gone up to the brink. Thank you. "Secretary SHULTZ. I don't believe in threatening." (Shultz Testim., JHICI, 7/24/87, at 94-95.)
86/01/07-350 JANUARY 2-17, 1986			THE IRAN INITIATIVE: RESTRUCTURING, 1/86 POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. . . . I want you to give me an overview of something. In January of 1986 you testified you were visited by Nir -- January 2, 1986. "A. Correct. "Q. And your notes reflected the proposal that Nir made for the Iran initiative to continue. "A. Yes. "Q. And the notes reflect that there will be a total of 4,000 TOWs shipped to Iran and that if the hostages aren't released after the first installment -- January of 1986, if they are not released after the first installment of 500 the project ends and the Israelis are out 500 TOWs. Do you remember that, or do you want me to show you your notes? [Poindexter Dep. Ex. 1, at 21.] "A. I remember the notes. "Q. And the Israelis were prepared in order to keep this initiative going, as I read your notes, to bear the risk of being out of pocket 500 TOWs. That's what your notes said; am I correct? "A. That's correct. "Q. And that's what he told you, am I correct? "A. My best recollection. "Q. And he also indicated that if it was successful he expected that you would replenish

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			not only the 4,000 TOWs that they would be shipping to Iran but the 500-odd TOWs that they had previously shipped? "A. In September? "Q. In September, yes. "Now we know this from documents you've seen in Tower and documents that you will see here that the Israeli proposal is the one that is presented to the group, the NSC principals on January 7, and it's a proposal that Israel sells, the United States replenishes. We also know from the documents, Admiral, that by January 17 the transaction has changed and that it's not a replenishment of Israel. It's not Israel that's going to sell and that we're going to replenish; it's going to be a sale by the Department of Defense to the CIA which then through an agent the Israelis will get these TOWs to the Iranians. "You recall that, don't you? Do you recall that or would you like to see your January 17 memo? "A. No, I recall it. During the time period from the time -- "Q. I haven't asked you a question yet. I just wanted to know if you recall that. You may have anticipated the question. The question is what happened between January 7, when you were discussing the Israeli plan with the NSC principals, and January 17, when you adopt the other plan and there, in your own words or in the words that you sign on on as in the memorandum to the President which has been marked as an exhibit, it says 'the objectives of the Israeli plan could

be met if the CIA, using an authorized agent as necessary, purchased arms from the Department of Defense under the Economy Act and then transferred them to Iran directly after receiving appropriate payment from Iran.'

"What happened to change the structuring of the transaction in your own words and as fully as you can tell us?

"A. All right. To answer the question I'd like to go back to the first version of the Finding. You see, in my view there were three versions of the Finding, starting with the one in December, then the one in early January, and then the one which in my view was the final version and the one that we eventually implemented was the 17 January.

"In the early part of December, of course, I was just taking over. It was a very confusing time. I had the memo from Director Casey. [See 85/12/05-114.] In fact, well, I'm a little confused here now whether I can recall it or whether I read it in the Tower Commission report, but anyway McMahon was very concerned about the Finding. In fact, I think he was more concerned about getting that Finding signed in December than Director Casey.

"But again I don't recall conversations with McMahon or Casey on the Finding. But, anyway, as I've said before I was not satisfied with the first version of the Finding, and after that I asked Colonel North --

"MR. LIMAN: If you're going to consult in the middle of an answer, then I want it reflected.

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			"(Counsel conferring with the witness.) "MR. BECKLER: You can reflect that. You've been more than kind." (Poindexter, Senate Dep., 6/17/87, at 373-76. See Poindexter Dep. Exx. 1 [Poindexter handwritten notes], 12 [Presidential Finding, with cover note from Casey to Poindexter, 11/26/85], 14 [cover memo for the 1/17/86 Finding, from Poindexter to the President, 1/17/86].)
86/01/07-351 JANUARY 2-17, 1986			THE IRAN INITIATIVE: RESTRUCTURING, 1/86 POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "THE WITNESS: I told Colonel North to work with who[m]ever he'd been working with at the Agency, and I don't recall whether I knew it was Sporkin at that point, and also I wanted him to touch base with the Attorney General or at least the Attorney General's immediate staff that would be aware of the subject of the Findings. "And so that process. Then we had the Christmas holidays and then Nir came in with a proposal that in some respects was similar to the past. But, as I've testified, there were some different aspects to it with regard to the cover story. And in the meeting in early January with the principals after my prebriefing of the President, the President was willing to go ahead with it right away, and that's why he signed the second version, which was in early January. "But again I didn't consider that the final version because I wanted to get Secretary Weinberger and the Attorney General and Director

Casey and, if I could, Secretary Shultz in a session to perfect the wording of the Finding.

"In the meeting on the 16th of January with the Attorney General and Director Casey, Secretary Weinberger, Secretary Shultz came in at the very beginning of the meeting but had to leave -- the timing of the meeting was impromptu and Secretary Shultz had a conflict -- the Attorney General raised the point that if we did the operation using the Israelis to the Iranians and our replenishing the Israelis we ran into problems with the Arms Export Control Act because there would have to be a report to the Congress under the Arms Export Control Act, because the weapons, even though we were replenishing them directly under this Finding, technically[] the weapons that the Israelis would ship would have been delivered to the Israelis under the Arms Export Control Act.

"So to avoid that problem the Attorney General wanted to go direct. And Director Casey had no problem with that. Secretary Weinberger understood the point. He was not in favor of the whole project all along, so I can't say that he concurred with that. And so the next day in briefing the President I made it clear that there was a change in the procedure and he agreed that that was fine with him.

"And so at that point we moved from the Finding, and I guess you'd have to say the 5 December or whatever date that was in early December was operative up until that point, but at that point we shifted to the new Finding, which was what we initiated the project with under my

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			auspices." (Poindexter, Senate Dep., 6/17/87, at 376-78.)
86/01/07-352 JANUARY 2-17, 1986			THE IRAN INITIATIVE: RESTRUCTURING, 1/86 POINDEXTER DEPOSITION ACCOUNT, Part 3: [Continuing from preceding entry:] "Q. Now under the way the transaction was structured under the January 17 Finding is it fair to say that it was a sale from the DOD to the CIA under -- "A. The Economy Act. "Q. The Economy Act. "A. That's correct. "Q. Now was the reason for selling it under the Economy Act to get a better price or to avoid having to notify the whole Congress? "A. No. I'm not an expert on this subject, but it was my understanding that any time the CIA buys assets from the Defense Department -- and I think that's what the Economy Act means -- that they are required. In other words, rather than going out and contracting on their own if they can buy it cheaper from the Defense Department then the Economy Act permits that. So it doesn't have anything to do with -- well -- "Q. All[] I can ask you for is your understanding. At least insofar as your understanding is concerned was the reason to go through the Economy Act sale to the CIA related to pricing or was it related to notification? "A. No. It's more related to notification, I would say, because the whole shift from the original concept of the Israelis selling to the

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			Iranians and our replenishing, shifting from that to our going directly to the Iranians using the Israelis as logistics support, a logistics support base in the process, was to get around the reporting requirements of the Arms Export Control Act. "Q. So that the debate or discussion on, was it January 15? "A. Sixteenth, I think. "Q. On January 16 among the various principals with the Attorney General was over the issue of reporting. It wasn't a pricing discussion? "A. That is my understa[]nding. "Q. And there weren't even pricing officials at that meeting? "A. No. "Q. Now under the Economy Act the shipment was going to be handled by a sale to the CIA and then what did you understand the CIA was going to do with the weapons? "A. At that point I'm not certain I had a clear understanding of that. My recollection is that I had a conversation. We may have discussed a little bit in that meeting. It doesn't vividly stand out. But probably in that meeting a discussion took place on the Agency using a private agent, in other words, a Dick Secord. I don't believe Dick Secord's name came up in the 16 January meeting, and it wasn't even clear, I don't think. We just wanted to be sure that the wording of the Finding gave Director Casey that kind of flexibility of using third parties.

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			"And it was a later conversation with Bill Casey in which I discussed with him how he planned to carry it out, and we probably discussed Dick Secord at that point." (Poindexter, Senate Dep., 6/17/87, at 378-81.)
86/01/07-353 JANUARY 2-20, 1986			THE IRAN INITIATIVE: RESTRUCTURING, 1/86 POINDEXTER DEPOSITION ACCOUNT, Part 4: [Continuing from preceding entry:] "Q. Why don't we end with your telling us about that later conversation with Casey? "A. I don't have a good recollection of it, but thinking back over the time frame I had the meeting with Dick Secord and one of the main purposes of the meeting was to feel him out as to whether he would be willing to be a private agent in the Iranian project. And, as he testified, my recollection is that he said that he would if it was not simply an arms for hostage arrangement, which he disagreed with. "And, of course, as you know we never did view it in that simple a context. "MR. LEON: When would that have been? "THE WITNESS: The meeting with Secord? "BY MR. LIMAN: (Resuming) "Q. It was January 17. He was in the building on January 17 and January 20, both times signed in as vis[i]ting you. "A. My recollection is that it was on a Saturday. "Q. The Saturday meeting would have been January 17. "MR. LEON: January 18 is a Saturday.

"MR. LIMAN: The 17th is when he signed in, isn't it?

"THE WITNESS: That was not a Saturday. But, anyway, at some point after that I recommended. I told Bill that I had talked to General Secord, again in my best recollection, and that I thought that -- I don't remember whether I specifically made a recommendation or just simply told him that I had talked to Secord and Secord was willing to do it.

"BY MR. LIMAN: (Resuming)

"Q. Did anyone recommend to you the use of Secord other than Ollie North?

"A. Not that I can recall.

"Q. Did Casey say that he had to use an agent as opposed to a proprietary?

"A. I don't recall that.

"Q. Because, Admiral, when you look at the transactions up to the second channel, up to the time -- the shipment of the 1,000 TOWs in February of 1986, and then the HAWK parts in May of 1986, until the second channel was developed, the fact is that Secord is handling logistics, arranging for the transportation, providing an interpreter, but the people who go to Tehran don't include Secord.

"A. But that was --

"Q. So what did you envision the agent would be doing?

"A. Arranging for transportation and providing the operational linkage with the Israelis.

"Q. And did you not think that the CIA had a

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			proprietary that could do that? "MR. BECKLER: We're after 4:30. We had an agreement. It's 4:40. "MR. LIMAN: Let's just finish this question. "MR. BECKLER: Before we were just going to finish his last conversation. Let's finish it, then. "BY MR. LIMAN: (Resuming) "Q. Let's finish it, then. Did you not think the CIA had a proprietary? "A. I knew that the CIA had a proprietary but it really wasn't my decision about how Director Casey wanted to carry out the project. I have some personal views, speculation as to why he wanted to do it that way, but, you know, I can't recall having a conversation with Director Casey about using General Secord versus one of his proprietaries. "Q. Well, the last question is, was it you or Casey who wanted to do it that way, meaning using a private agent? "A. I think it was -- I think we both thought that was a good way to do it." (Poindexter, Senate Dep., 6/17/87, at 381-84.)
86/01/07-355 DURING JANUARY 1986			THE IRAN INITIATIVE: RESTRUCTURING, AND THE 1/86 FINDINGS POINDEXTER DEPOSITION ACCOUNT, Part 1: "Q. Now I'll mark as two exhibits, first a memorandum to you dated January 4, 1986, from Lieutenant Colonel North that encloses a draft memorandum from you to the President and a draft of the January 6 Finding, and that will be marked

as [Poindexter Dep.] Exhibit 38.

". . . .

"And then as Exhibit 39 what appears to be a revision of the draft from you to the President with the January 6 Finding attached. And just from the context, because this is not dated, the cover memo here, but from the context it appears to me that this probably [was] the revision of the draft that was Exhibit 38.

". . . .

"What I'm going to ask you is whether you have any recollection of these documents, whether you can place them in sequence in terms of which one came first and also whether you can recall the reason for the changes. And I think in looking at the first paragraph of the cover memorandum you can see the tone of the changes, which was to, if I can characterize it, to refine the description of the role of Israel and define it somewhat differently from the way it was in the other draft.

"(Pause.)

"A. You know, the files from which these come you should be able -- the files are usually in pretty good condition.

"Q. Admiral, for a lot of reasons, some of which relate to what Colonel North did on November 21 and some of which relate to the way in which the documents were reviewed by the FBI, they are not in perfect condition.

"For example, the document that you are looking at, 38, indicates that it came from North's file. That's what the N stands for, and

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			the document that is 39 also indicates that it came from North's file. "A. That's the problem. "(Pause.) "Q. Would it be helpful for you, Admiral, if I showed you what the changes were? "A. Let me just skim it first and see what we've got here. "Q. We have a marked up copy of it that does show the changes. "A. Okay. That would be helpful. "(Pause.) "Q. Are you able to tell by looking at them which came first? "A. No, I can't. You'd have to have a pretty detailed memory. "Q. Do you remember? "A. I'm not even sure I've seen these drafts. "Q. Do you remember, Admiral, whether North told you prior to January 6 that he had spoken to the Attorney General and obtained legal advice? "A. My recollection is that I went into the meeting on 7 January, which I think was the date of the meeting we had in the Oval Office, with my understanding, although I don't believe at that point I had personally spoken to the Attorney General, but my recollection is that I went into that meeting thinking that the Attorney General was on board and didn't see any legal problem as long as it was covered by a Finding." (Poindexter, Senate Dep., 6/18/87, at 404-07; Poindexter Dep. Exx. 38 [= JHICI Ex. SS 10; North memo to Poindexter, "Covert Action Finding on

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			Iran," 1/4/86, with attached memo from Poindexter to the President, and 1/3/86 Finding], 39 [= JHICI Ex. SS 11; Poindexter memo to the President, "Covert Action Finding regarding Iran," undated, with 1/6/86 Finding attached].)
86/01/07-356 DURING JANUARY 1986			THE IRAN INITIATIVE: RESTRUCTURING, AND THE 1/86 FINDINGS POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. Now the last page of [Poindexter Dep.] Exhibit 39 has a draft of the Finding which has handwritten in it 'and third parties', and there was testimony before the Tower Board, which was reported, that that was written in by Sporkin when he changed the January 6 Finding to the January 17 Finding. It bears the signature of Ronald Reagan. "Is this the Finding that you have previously testified that was in the President's briefing book and that he signed? "A. I don't recall whether it was in his briefing book or whether I discussed it with him at the normal 9:30 that morning. I don't believe I testified before that it was in the briefing book. It could have been. I just don't recall. It was either in the briefing book or covered in the briefing. "I rather would guess that it was covered in the briefing. "Q. Did you actually see him sign it? "A. I can't remember that because that would depend on which way I did it. It could have been done either way.

"Q. Did you ever tell him, Mr. President, you signed this by mistake?

"A. I don't recall that.

"Q. Let me just show you --

"A. But on the 17th, when he signed the other version, I obviously would have discussed with him the changes that we felt were necessary in the 6 January.

"Q. We'll come to that. Now the differences between the two Exhibits I have given you, 38 and 39, are indicated in these sheets I'm going to hand you. The yellow means that that was taken out and the blue is what's added. If you will just look at it, you can see what the changes are.

"The question is, does it refresh your recollection?

". . . .

"Q. . . . Any recollection at all?

"A. It really doesn't help."
(Poindexter, Senate Dep., 6/18/87, at 407-09; Poindexter Dep. Exx. 38 [= JHICI Ex. SS 10; North memo to Poindexter, "Covert Action Finding on Iran," 1/4/86, with attached memo from Poindexter to the President, and 1/3/86 Finding], 39 [JHICI Ex. SS 11; Poindexter memo to the President, "Covert Action Finding regarding Iran," undated, with 1/6/86 Finding attached].)

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THE IRAN INITIATIVE AND OPERATION STAUNCH
WEINBERGER ACCOUNT:

"Mr. SARBANES. You were pursuing Operation Staunch and, in effect, representing to foreign countries, leaders of foreign countries, that they

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			should not be sending arms to Iran at a time when the United States, I gather both before January when we moved to do it directly, previously doing it indirectly, and in both instances you were in this position of pressing a position on foreign leaders when our own country was taking diametrically the opposite position. "Secretary WEINBERGER. I am acutely aware of that, Senator. I did not know of it, as I say, until the January decision of the President that had taken place before, but I am acutely aware that that was indeed the case." (Weinberger Testim., JHICI, 7/31/87, at 218-19.)
86/01/07-750 DECEMBER 7, 1985 AND JANUARY 7, 1986			SHULTZ' AND WEINBERGER'S OPPOSITION, AND WHY THE IRAN INITIATIVE CONTINUED SHULTZ ACCOUNT: "Secretary SHULTZ. I was present at the meetings in December and January with Secretary Weinberger and I expressed our views. I'm sure you will hear Secretary Weinberger. But I thought he was very forceful and I thought I was forceful, too. He didn't sit there and say, there's five arguments this way and four arguments that way. We were arguing. "So if your point is that the President was in some doubt about our views, your point is wrong. "Mr. BROOMFIELD. I am more concerned about who had the most influence. "Why didn't you have more influence with the President. That is what disturbs me the most. Apparently he was relying on Bill Casey. "Secretary SHULTZ. Well, I think the

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			President was relying on himself. You seem to miss the point that the President is a very decisive person, and he viewed all this and he made a decision, which he is perfectly entitled to make. "I don't--as Secretary of State, I don't think I--just because I think something I should get my way all the time. You can't--it is the President that gets his way, and it is up to people who are serving him, if they are serving him well, to be sure he is exposed to the points of view that can be brought to bear and the arguments and the risks and so on. And I think that was done. "Mr. BROOMFIELD. Were you ever denied the ability to meet with the President when you considered it necessary? "Secretary SHULTZ. Never. And I think the President--I am sure he respects my views and listens to them, and I think I have won a few, but I don't win all the arguments. "You can't expect to win all the arguments. . . ." (Shultz Testim., JHICI, 7/24/87, at 11-12.)
86/01/07-800 JANUARY 7, 1986			IRAN ARMS TRANSACTIONS: LEGALITY CIA MEMOS: CIA lawyers prepare memos for CIA General Counsel Stanley Sporkin identifying the restrictions and various notification requirements that the Arms Export Control Act and Foreign Assistance Act place on third-country transfers. The lawyers conclude that weapons that have earlier been acquired from the United States under

either of these Acts could not be sold to Iran without "U.S. consent, notice to Congress, and the eligibility of the third country recipient for U.S. aid."

Because the planners have determined there would be no notice and because Iran's terrorist activities have rendered it ineligible, the Israeli sale/U.S. replenishment approach is not feasible. The lawyers conclude, however, that a sale of weapons from DoD stocks to the CIA under the Economy Act, followed by a CIA sale to Israel or Iran, would be legal. A Presidential Finding would be required.
(JHICI Exx. SS 13 [CIA Legal Staff Memorandum, "Proposed Iran Finding," 1/7/86], SS 20 [CIA Legal Staff Memorandum, "Third Country Transfer of Equipment Provided Under the Foreign Assistance or Arms Export Control Acts," 1/6/86]. See Iran-Contra Report, at 205.)

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JANUARY 7,
1986

THE 1/7/86 MEETING ON THE IRAN INITIATIVE:
TOPICS DISCUSSED
SHULTZ ACCOUNT:

(1) Shultz learned from Poindexter on 1/4/86 of Nir's proposal of sending 3,000 TOWs to Iran and the release of U.S. hostages; Nir's proposals were discussed at the 1/7/86 meeting. (Shultz Testim., JHICI, 7/23/87, at 82; JHICI Ex. GPS-B [DoS Chronology].)

(2) Israel was to offer to Iran release of non-"bloody" Hizballah prisoners plus 3,000 TOWs for U.S. hostages; Israel was to be the conduit and the arrangement was to be deniable; no

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			discussion of a Finding; Shultz elaborated on his arguments against the proposals. (Shultz, Tower Int., 1/22/87, at 37-40, 44, 67-68.) (3) There was no discussion of a Finding. (Shultz Testim., HFAC, 1/21/87, at 29.) (4) The group discussed U.S. involvement in arms transfers to Iran; "a whole ball of wax"; much attention given to the arms sale aspect; no discussion of a Finding. (Shultz Testim., SSCI, 12/16/86, at 22, 44-45.)
86/01/07-802 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: TOPICS DISCUSSED WEINBERGER ACCOUNT: "They were U.S. TOW missiles that would go to Iran and we knew the destination of them, yes." Weinberger did not recall discussion of Israeli TOWs going to Iran, with U.S. TOWs then going to Israel. He testified he did not recall discussion of Israel. Arms were discussed as a way of getting a better relationship with Iran. (Weinberger, House Dep., 6/17/87, at 45-48.)
86/01/07-803 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: TOPICS DISCUSSED MEESE ACCOUNT: (1) The group discussed Israeli suggestions concerning the Initiative, especially concerning a transfer of arms from the U.S. and Iranian assistance in the release of hostages to show each side's good faith; there was brief discussion that a Finding would be necessary; discussion of non-notification of Congress; "it was not my

understanding at the meeting that anyone was discussing arms for hostages transactions." (Meese Testim., JHICI, 7/28/87, at 4-7.)

(2) The discussion concerned the whole initiative; transfer of weapons was a part. (Meese Testim., JHICI, 7/28/87, at 22-24.)

(3) The group discussed going forward with the Iran Initiative; Meese was asked to concur in some legal views; Meese favored going forward; there was group agreement on delaying notification; "it was described to us that we would be involved only with small quantities of defensive weapons." (Meese Testim., JHICI, 7/29/87, at 40-46.)

(4) Israel was to sell to Iran; U.S. to replenish Israel; non-notification of Congress. (Meese Testim., JHICI, 7/29/87, at 232-34.)

(5) Variety of goals brought up at the meeting; arms were discussed: moderate Iranians wanted a show of good faith by the U.S. through provision of a small quantity of weapons for the Iranian military; Iranians, in turn, would show their good faith by helping get hostages released; Meese had no recollection of any discussion of prior shipments. (Meese, House Dep., 7/8/87, at 25-27.)

(6) The Iran Initiative was discussed, but not prior shipments. Meese summarized the discussion of arms: the U.S. was to make a good faith showing through arms (particularly TOWs); the U.S. was to supply arms, then get hostages, then to supply more arms. There would be no notification of Congress. There was no mention of

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			a prior Finding at the meeting, but it was acknowledged that a Finding would be necessary for the future. (Meese, Tower Int., 1/20/87, at 4-7.) (7) The discussion covered broad objectives; the Iranians needed a quid pro quo or show of faith from the U.S. in the form of limited numbers of defensive weapons for the Iranians; the Iranians, in turn, would use their influence to get U.S. hostages released. Casey gave a presentation of a potential Finding to the President. The group discussed non-notification of Congress until all hostages were released. (Meese Testim., HPSCI, 12/19/86, at 8-10, 35.) (8) The group discussed future events to take place with regard to Iran, and preparation for a Finding. (Meese Testim., SSCI, 12/17/86, at 166.)
86/01/07-804 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: TOPICS DISCUSSED REGAN ACCOUNT: (1) The President had a pre-meeting briefing on 1/6/86 when Poindexter showed him, the Vice President and Regan the 1/6/86 Finding; that was preparation for the 1/7/86 meeting. "[P]ermission was being sought to utilize up to 4,000 TOWs." (Regan Testim., JHICI, 7/30/87, at 38-43.) (2) Poindexter went into detail about a new plan, but didn't tell the details of shipment and payment. The plan was to be handled by agents of the USG. (Regan Testim., JHICI, 7/30/87, at 120-22.)
86/01/07-805			THE 1/7/86 MEETING ON THE IRAN INITIATIVE:

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JANUARY 7, 1986			TOPICS DISCUSSED CASEY ACCOUNT: The group discussed the whole Initiative. A Finding had been prepared after the December 1985 meeting and the policy was reviewed again on January 7, 1986. (Casey Testim., SSCI, 11/21/86, at 67-68 [Armacost interrupted Casey's testimony to state he didn't believe Shultz saw a Finding at the 1/7/86 meeting. Casey responded, "That's so? All right."].)
86/01/07-806 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: TOPICS DISCUSSED POINDEXTER ACCOUNT: (1) The meeting was called for 1/7/86 specifically to discuss issues involved in the 1/6/86 Finding. The Attorney General told the President he had a legal right to pursue the Initiative by replenishing arms to Israel. (Poindexter Testim., JHICI, 7/15/87, at 75-76.) (2) The group probably discussed the summer 1985 500 TOWs, but Poindexter testified he was not sure. Poindexter found it hard to believe the group didn't touch on the 1985 shipments. (Poindexter Testim., JHICI, 7/21/87, at 141-42.) (3) The group discussed strategic objectives of the Iran Initiative, and that it could be done legally with a Finding. But the group did not go into the details of a Finding. The discussion was geared toward the future. (Poindexter Testim., JHICI, 7/21/87, at 178-80.) (4) The meeting was called because the President recalled on 1/6/86 that Shultz and

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			Weinberger opposed the Initiative in 12/85. Meese would have a chance on 1/7/86 to give his opinion on applicable statutes and the William French Smith opinion. The proposal involved the sale of arms to Iran by Israel with the U.S. allowing Israel to buy replacements. (Poindexter, Senate Dep., 5/2/87, at 144-48.)
86/01/07-808 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: VICE PRESIDENT ATTENDED SUMMARY: The following witnesses placed Vice President Bush among those who attended the White House meeting on January 7, 1986: (1) Meese Testimony: JHICI, 7/28/87, at 21; House Dep., 7/8/87, at 23; Tower Int., 1/20/87, at 4; SSCI, 12/17/86, at 7-8; HPSCI, 12/19/86, at 7. (2) Shultz Testimony: JHICI Ex. GPS-B (DoS Chronology); Tower Int., 1/22/87, at 43; HFAC, 1/21/87, at 73; SSCI, 12/16/86, at 45. (3) Weinberger Testimony: SSCI, 12/17/86, at 9. (4) Poindexter Testimony: Senate Dep., 5/2/87, at 144. Casey and Regan qualified their answers about the Vice President's attendance: (5) Casey Testimony: SSCI, 11/21/86, at 64 ("I'm not sure, but I think so. He usually is, unless he is out of town."). (6) Regan Testimony: SSCI, 12/16/86, at 30 ("and the Vice President probably" was present).

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86/01/07-810 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: POSITIONS OF THE PARTICIPANTS SHULTZ ACCOUNT, Part 1: (1) "Well, it seemed to me that as people around the room talked, that Secretary Weinberger and I were the only ones who were against it. And so that included everybody who was there on the other side of the issue, which surprised me, and it was almost unreal . . . . I thought it was a bad idea." (Shultz Testim. JHICI, 7/23/87, at 82-83.) (2) "I was present at the meetings in December and January with Secretary Weinberger and I expressed our views. . . . But I thought he was very forceful and I thought I was forceful, too. We didn't sit there and say, there's five arguments this way and four arguments that way. We were arguing. So if your point is that the President was in some doubt about our views, your point is wrong." (Shultz Testim., JHICI, 7/24/87, at 12.) (3) "There we had a proposal made brought to us by the Israelis which became the topic of a meeting, and I took a position in that meeting, and so did Secretary Weinberger, and while there was no decision made at the meeting that I recall, I certainly did have the sense that Secretary Weinberger and I were on one side of the issue and everybody else, including the President, was on the other side, and that somehow or other this was going to move ahead." (Shultz Testim., JHICI, 7/24/87, at 89.)

(4) "GPS and WEINBERGER argue strongly against the Iran proposal, but everyone else favors going forward." (JHICI Ex. GPS-B [DoS Chronology].)

(5) "So I felt at that meeting [1/7/86] that Cap was against it and I was against it and everybody else in the room was in favor." (Shultz, Tower Int., 1/22/87, at 38.)

(6) "And in that January 7 meeting, . . . I expressed myself as forcefully as I could. That is, I didn't just sort of rattle these arguments off. I was intense. The President knew that. The President was well aware of my views. I think everybody was well aware of my views." (Shultz, Tower Int., 1/22/87, at 42.)

(7) "[I]t was clear to me by the time we went out [on 1/7/86] that the President, the Vice President, the Director of Central Intelligence, the Attorney General, the Chief of Staff, the National Security Advisor all had one opinion and I had a different one and Cap shared it." (Shultz, Tower Int. 1/22/87, at 43.)

(8) "[The President] knew from the meeting that I was not only opposed, but that I was vigorously opposed." Shultz saw the proposal as arms for hostages, "but that's not necessarily the way other people described it to themselves." (Shultz, Tower Int., 1/22/87, at 74.)

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THE 1/7/86 MEETING ON THE IRAN INITIATIVE:
POSITIONS OF THE PARTICIPANTS
SHULTZ ACCOUNT, Part 2:
[Continuing from preceding entry:]

(9) The only 2 opposed at the 1/7/86 meeting were Shultz and Weinberger: "That was my view." Shultz added, however, "It wasn't as though we took a vote . . . ." (Shultz Testim., SSCI, 12/16/86, at 70.)

(10) "At the meeting January 7th I felt that Secretary Weinberger and I were the two people who were opposed, and we were not just sort of opposed, we were both very much opposed and nobody at any of those meetings would have the slightest doubt that we were opposed and why we were opposed, that is, it wasn't just a reaction, there were reasons." (Shultz Testim., HFAC, 1/21/87, at 47.)

(11) "As I said it seemed to me in that meeting [1/7/86] that Mr. Weinberger and I were the only two who were opposed and I don't recall that everybody spoke but it seemed to me clear that we were in the minority." (Shultz Testim., HFAC, 1/21/87, at 73.)

(12) Shultz was asked whether he agreed with Casey's HFAC testimony [12/10/86, at 116-17; quoted at 86/12/10-200] that Casey, Poindexter, Regan, Meese, Bush, and the President favored the Iran Initiative during its duration, while Shultz and Weinberger opposed it. Shultz responded, "That is about what I said in response to an earlier question." Asked specifically for the Vice President's view, Shultz testified that "my only really direct exposure on that was the January 7 . . . meeting" and that "my recollection is that he favored the initiative." (Shultz Testim., HFAC, 1/21/87, at 86-88.)

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86/01/07-815 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: POSITIONS OF THE PARTICIPANTS WEINBERGER ACCOUNT: "I reached a conclusion at the end of the meeting [1/7/86] the President now favored the plan." Shultz and Weinberger still argued vehemently against it, however: ". . . I made the same points, George Shultz made the same points. Bill Casey felt that there would be an intelligence gain, and there was also talk of the hostages as one of the motivating factors, but not the motivating factor, but the responses of the [P]resident seemed to me to indicate he had changed his view and had now decided he wanted to do this." (Weinberger Testim., JHICI, 7/31/87, at 108-11.)
86/01/07-820 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: POSITIONS OF THE PARTICIPANTS MEESE ACCOUNT: (1) Poindexter and Casey favored; Shultz and Weinberger opposed; Meese's view: "while a very close question, the benefit seemed to slightly outweigh the risks." (Meese Testim., JHICI, 7/28/87, at 5.) (2) Casey favored; Meese thought it risky but worth the potential benefits; Shultz and Weinberger opposed; Meese testified he could not remember any comment of the Vice President or Regan. (Meese Testim., HPSCI, 12/19/86, at 10.) (3) Shultz and Weinberger opposed; Casey

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			"very much in favor"; Meese's view: "a very close decision . . . 'a 51-49 decision'"; in the long run, risks were worth the potential benefit; "I don't remember what the Vice President or Don Regan might have said." (Meese, Tower Int., 1/20/87, at 8.)
86/01/07-825 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: POSITIONS OF THE PARTICIPANTS REGAN ACCOUNT: (1) Asked whether Weinberger expressed some concerns about the legality of the Iran operation, Regan testified, "I don't recall it being Secretary Weinberger. It is probable that he did so. But I know somebody raised objections." (Regan Testim., JHICI, 7/30/87 at 42.) (2) Asked whether there was a discussion at the 1/7/86 meeting with Shultz and Weinberger objecting to the arms sales, Regan answered, "Yes." Meese and Casey supported the concept of the arms transfer. Regan in his Tower interview did not list the specific views of the participants or even who was there. He did state, however, that there was "[a]s thorough a discussion as one hour and five minutes can have of [sic] among seven or eight people talking on a subject." (Regan, Tower Int., 12/16/86, at 26.)
86/01/07-830 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: POSITIONS OF THE PARTICIPANTS CASEY ACCOUNT: (1) Shultz and Weinberger "were unenthusiastic about it ['this whole

possibility']"; Vice President's view: "I think he thought about the way I did; it was worth a shot." President shared that view; Regan's view: "What the President wanted to do, he [sc. Regan] was for it." "McFarlane and Poindexter both thought it was worth a try." Asked whether he was saying that Shultz and Weinberger were basically opposed and the rest thought it was worth trying, Casey testified, "I think that is probably right, although there were degrees of opposition." (Casey Testim., HFAC, 12/10/86, at 116-17.)

(2) Asked whether there was ongoing negative advice from Shultz and Weinberger that this was still a very bad idea, Casey testified, "I think there probably was. [Interruption.] There was. There were ongoing discussions with the Secretary of Defense and the Secretary of State." Asked, then, about the Vice President's advice, Casey testified, "I don't think I want to tell everybody's advice -- the Vice-President, I am not sure. The reason I am not sure, at different time[s] different people had differing views. The Vice-President generally supported the effort. He said that on television last week." (Casey Testim., HFAC, 12/10/86, at 185-86.)

(3) Shultz and Weinberger "did raise strong objection to the concept of dealing with the Iranians, and there was a split there. As far as I can remember they did not raise any objection as to the procedure elected. Now, they may have done it, but in my recollection I did not hear them raise any objection as to the process. They did raise strong objections to the idea and the

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			concept. Is that clear?" (Casey Testim., SSCI, 11/21/86, at 73.) (4) Without limiting his description to the 1/7/86 meeting, Casey testified: "I know he [Shultz] did express his opposition to the concept [of an Iran initiative] at the outset. Then the President decided to go ahead and I thought we were all supporting the President's decision and I know that we were supporting it and also we were fighting terrorism as well as we could." (Casey Testim., HPSCI, 11/21/86, at 100.)
86/01/07-835 JANUARY 7, 1986			THE 1/7/86 MEETING ON THE IRAN INITIATIVE: POSITIONS OF THE PARTICIPANTS POINDEXTER ACCOUNT: (1) Shultz and Weinberger expressed their opposition to the Iran Initiative at the 1/7/86 meeting "[v]ery vigorously"; Meese told the President that he had a legal right to pursue the Initiative by replenishing arms to Israel. (Poindexter Testim., JHICI 7/15/87, at 76.) (2) "I think everybody in the meeting on the 7th of January was in favor of doing it except the Secretary of State and the Secretary of Defense. That is my best recollection." (Poindexter, Senate Dep., 5/2/87, at 147.)
86/01/07-870 JANUARY 7, 1986			THE IRAN INITIATIVE: VICE PRESIDENT'S POSITION SHULTZ ACCOUNT: "Mr. Lantos. . . . [I]s it my understanding that to the best of your knowledge Mr. Bush at no time opposed the sale of arms to Iran, but he went along with it, is that correct?

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			"Secretary Shultz. Well, my only really direct exposure on that was the January 7, I think it was, meeting. "Mr. Lantos. Yes. "Secretary Shultz. In which -- my recollection is that he favored the initiative. "Mr. Lantos. Yes. "Secretary Shultz. Now, the sense in which arms were attached to it and the way in which arms were attached to it, the kinds of deals that were struck were -- or proposed -- I still don't know in 1986, and I have no idea how much he knows about that." (Shultz Testim., HFAC, 1/21/87, at 89. See Shultz, Tower Int., 1/22/87, at 43 ["[I]t was clear to me by the time we went out [on 1/7/86] that the President, the Vice President, the Director of Central Intelligence, the Attorney General, the Chief of Staff, the National Security Advisor all had one opinion and I had a different one and Cap shared it."].)
86/01/07-900 JANUARY 7, 1986			REPLENISHMENT AND NONDISCLOSURE: NORTH'S MESSAGE TO NIR NORTH MESSAGE: North sends an encoded message to Nir laying out the terms the United States would accept for an Israeli arms sale to Iran: "1. Joshua [President Reagan] has approved proceeding as we had hoped. "2. Joshua and Samuel [Secretary Weinberger] have also agreed on method one [replenishment by sale, as opposed to 'method two,' replenishment by

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			prepositioning]. "3. Following additional conditions apply to Albert [code name for operation?]. "A. Resupply should be as routine as possible to prevent disclosure on our side. May take longer than two months. However, Albert says if crisis arises Joshua promises that we will deliver all required by Galaxie [apparently C 5A cargo plane] in less than eighteen hours. "B. Joshua also wants both your govt and ours to stay with no comment if operation is disclosed. "4. If these conditions are acceptable to the Banana [Israel] th[e]n Oranges [U.S.] are ready to proceed." North's notes indicate that the purpose of "routine" resupply was to enable the Israeli purchases to be broken "into lots of less than Cong[ressional] limit" and to avoid "raising eyebrows." (JHICI Ex. 69-A [North notebook entries, 1/7/86 [Committee Documents Q 1421 through 1423]; Iran-Contra Report, at 204 [bracketed substitutions as provided therein]. See 86/01/15-150, -151 [North testimony on "Joshua" and methods of replenishment]. See also 86/01/12-110 and 86/01/12-115 [North's codes].)
86/01/08-005 JANUARY 8, 1986			NATIONAL SECURITY BRIEFING: HOSTAGES DISCUSSED NSC LIST: An unsigned, unlabeled NSC Meeting Chronology lists: "January 7, 8, 9, 16: Discussion of Hostages

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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			during NSB" (NSC Meeting Chronology [Committee Document N 7718]. On the NSC Chronology entries, see 85/12/07-090.)
86/01/09-000 JANUARY 9, 1986	DIVERSION: USE OF PROCEEDS OF IRAN ARMS SALES NORTH NOTEBOOK ENTRY: See col. 3.		DIVERSION: USE OF PROCEEDS OF IRAN ARMS SALES NORTH NOTEBOOK ENTRY: North and Nir discuss how to use the money Iran will pay for the TOWs. North writes in his notebook on January 9, 1986: "$10M total "2.5 to Ops "1.5 to Gorba "$6M avail for 4500" The note indicates that Israel was to receive $10,000 per TOW from Iran, or $10 million for the first 1,000 TOWs. From this sum, $2.5 million was to be diverted to "Ops," which North testified were the joint Israeli-U.S. covert operations previously discussed with Nir. Another $1.5 million was to go to Ghorbanifar. The remaining $6 million would be available to pay the United States for the replacement TOWs. (North notebook entry, 1/9/86 [Committee Document Q 1429]; Iran-Contra Report, at 204].)
86/01/09-005 JANUARY 9, 1986			NATIONAL SECURITY BRIEFING: HOSTAGES DISCUSSED NSC LIST: An unsigned, unlabeled NSC Meeting Chronology lists: "January 7, 8, 9, 16: Discussion of Hostages during NSB" (NSC Meeting Chronology [Committee Document N

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			7718]. On the NSC Chronology entries, see 85/12/07-090.)
86/01/09-150 JANUARY 9, 1986		GODSON-POINDEXTER CONTACT POINDEXTER ACCOUNT: "Mr. FASCELL. Admiral, would you take a look at Exhibit [JMP] 111? That is your calendar. January 9, 1986, you look down there at 5:00 p.m., 'Roy Godson: says there may be an attack on you in the press soon; 3344 'til 6:00 p.m.' Something has been redacted. 'Home--also wants to talk about how to handle accounts.' "Mr. POINDEXTER. I know Mr. Godson. I don't know what that note is referring to. It would have been January 9, 1986, was shortly after I took over. There were some critical reports in the press at the time about my appointment but I don't remember any details about it. "Mr. FASCELL. And you don't know what the reference to 'accounts' is? "Mr. POINDEXTER. I think that my--I don't know for sure, but my judgment at this time would be that Mr. Godson was working on several projects, and we often referred to projects as accounts. I suppose he wanted to talk about that. "Mr. FASCELL. Did you know that Colonel North had asked Godson to see what he could do about raising some money? "Mr. POINDEXTER. I don't--the word 'accounts' there could also apply to press accounts. I simply don't recall the conversation. What this is, it is a list of phone calls that I have received that was kept by my secretary, and I	

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		frankly don't recall talking to Mr. Godson about it. "So I am not sure what he had in mind or what my secretary meant." (Poindexter Testim., JHICI, 7/20/87, at 80-81; JHICI Ex. JMP 111 [Poindexter phone calls, 1/9/86].)	
86/01/09-300 JANUARY 9, 1986		CONTRA AID: CASEY'S STRATEGY AND THE ISSUE OF COOKED INTELLIGENCE C/CATF ACCOUNT: "Mr. Rudman. . . . One of the things that I am sure, with the extraordinary record you have had in the agency it has to concern you as much as it concerns other people, is the whole feeling as expressed by the Secretary of State whenever you start mixing up the people who are doing the intelligence estimates and policy making you get into kind of shak[]y ground. There is a handwritten note for a 9 January 1986 NSC briefing of Mr. Casey which read, and you were at the meeting, 'The DCI wants to make the insurgency choice stark. Either we go all out to support them or they will go down the drain. DCI wants to add some detail on how we are going to strengthen the FDN.' "Now that, of course, was during a period the CIA had a very limited law according to the law that was then in effect. And I guess my question is: would you agree with me that that note gives some credence to the fact that maybe there was some cooking of intelligence going on on which basis the President of the United States was	

making some choices?

". . . .

"Mr. Rudman. If you look at all these documents we have, and we have hundreds of thousands of them, there are some very interesting documents. This committee is going to have a tough choice in deciding how many to publish because there are so many.

"That is just one of a number I have had called to my attention I find most interesting read in conjunction with the previous documents I have shown you. [Sic.]

"[C/CATF.] I am still reeling from that one. I didn't understand that one.

"Mr. Rudman. N[ei]ther did I and I thought I would ask you about it.

"[C/CATF.] I think that Director Casey, who is the senior analyst, really believed that the choices were and are stark. I believe that the body of intelligence there is to support that, that particular statement, and it was the assessment, that is the assessment that as intelligence advisor to the President he wanted to make, he wanted to add details about how we could strengthen the FDN. It is important to know at that 9 January meeting there was a key decision taking place.

"That was the meeting, as I recall, where the decisions were going to be made about how to go for the next aid package. That is the $10 million decision. That means what are we going to do with the $100 million of tasking me or somebody --

"Mr. Rudman. The problem is there is a

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		reference there you make it so stark either they get it or go down the drain. Maybe that is true, but the characterization, of course, when you read it in conjunction with other things we have heard makes one very nervous. "(Witness conferring with counsel) "[C/CATF.] I don't know where these notes came from. I recall getting ready for that meeting, and I believe -- "Mr. Rudman. They came from the agency. "[C/CATF.] I beg your pardon. I can see they did. I really don't think from my direct knowledge the Director cooked intelligence on Central America. I think he presented it the way he saw it. He felt very strongly. I think the body of intelligence is there in the main to support what he had to say. I think the facts have spoken pretty well for themselves. "I am one of the key operational analysts and I never heard the Director say anything about Central America I was personally uncomfortable with." (C/CATF Testim., JHICI, 8/5/87, at 236-38. See id. at 233-36 [C/CATF on cooked intelligence and information not included in a cable dated 11/25/86].)	
86/01/10-000 EARLY JANUARY 1986			THE IRAN INITIATIVE: SECORD'S ROLE SECORD ACCOUNT: "[A]round the 10th, 12th, 13th of January," Adm. Poindexter calls Secord. At a meeting that evening at Poindexter's office, Secord learns "the President had decided to try a new initiative

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			towards Iran. He [Poindexter] wanted to know if I would be willing to help them in executing this initiative." Secord says "a swap of American arms for American hostages in Lebanon, . . . to me, was not acceptable." Poindexter explains that this initiative is "founded on strategic objectives . . . to achieve some sort of dialogue with the Iranian Government" -- its "moderate . . . or pragmatic elements." Secord says he "would be honored to try to do what [he] could." (Secord Testim., JHICI, 5/6/87, at 26-28.)
86/01/11-000 AROUND JANUARY 11-13, 1986			GHORBANIFAR'S CHARACTER: THE LIE DETECTOR TEST SECORD ACCOUNT: Secord later hears that Ghorbanifar during this period came to Washington "and he was given a polygraph exam which, as usual, he busted." (Secord Testim., JHICI, 5/6/87, at 41-42.)
86/01/11-100 LATE 1985 - EARLY 1986			GHORBANIFAR'S CHARACTER: GENERALLY, AND THE LIE DETECTOR TEST NORTH ACCOUNT: "Mr. VAN CLEVE. Were you aware as of the middle or end of 1985 that Ghorbanifar was a known liar who was the subject of a burn notice, what is known in the trade as a burn notice, but what is actually a fabricator notice issued to the entire United States Government by the Central Intelligence Agency? "Mr. NORTH. Yes. "Mr. VAN CLEVE. You did know that? "Mr. NORTH. And throughout, Mr. Van Cleve, I knew, and so did the rest of us who were dealing

with him, exactly what Mr. Ghorbanifar was. I knew him to be a liar. I knew him to be a cheat, and I knew him to be a man making enormous sums of money. He was widely suspected to be, within the people I dealt with at the Central Intelligence Agency, an agent of the Israeli Government, or at le[a]st one of, if not more, of their security services.

"That is important in understanding why we continued to deal with him. We knew what the man was, but it was difficult to get other people involved in these kinds of activities. I mean, one can't go to Mother Teresa and ask her to go to Tehran. I am not being light about this, but you have to deal with who you have got at the time. And the good fairy wasn't there, and I know there [are] a lot of folks who think we shouldn't have dealt with this guy, but at the bottom we got two Americans out that way and we started down a track I think we could have succeeded on. As bad as he was, he at least got it started there.

"Mr. VAN CLEVE. . . . You also knew, did you not, that Ghorbanifar had failed a lie detector test given to him by the CIA on all counts?

"Mr. NORTH. On all counts to include his name, as I remember.

"Mr. VAN CLEVE. . . . Were you relying on the judgment of the Israelis in deciding to deal with Ghorbanifar and those who represent him?

"Mr. NORTH. Yes.

"Mr. VAN CLEVE. Were you in that position because the Israelis had intelligence sources in Iran and the United States did not?

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			"Mr. NORTH. I think perhaps-- "Mr. VAN CLEVE. Without getting into detail here, is that the position our government was in at that point, roughly speaking? "Mr. NORTH. Yes. "Mr. VAN CLEVE. Isn't it a fact that at least since the time of the Shah in late 1979, the U.S. has had very poor quality human intelligence in Iran? Again, I am looking for what I think should be a yes or no answer. "Mr. NORTH. Yes. "Mr. VAN CLEVE. In retrospect, didn't this lack of intelligence adversely affect[ ] your ability to conduct this entire operation? "Mr. NORTH. Yes. And it was one of the principal objectives of the whole thing." (North Testim., JHICI, 7/9/87, at 88-90.)
86/01/11-105 1985-86			GHORBANIFAR'S TIES WITH ISRAEL POINDEXTER ACCOUNT: "Mr. MCCLURE. . . . Lt. Colonel North testified repeatedly that it was well known that Mr. Ghorbanifar was an Israeli agent. Was that your understanding? "Mr. POINDEXTER. I think we touched on that earlier today. I can't recall precisely when we came to the possibility that Mr. Ghorbanifar was an Israeli agent. I don't believe we ever had any absolutely hard intelligence to that fact, but that was a suspicion. "Mr. MCCLURE. Would there be any difference in your answer if we used the term 'Israeli asset' rather than 'Israeli agent'?

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			"Mr. POINDEXTER. Oh, I think yes, we knew very early that Mr. Ghorbanifar was the contact the Israelis had. "Mr. MCCLURE. So there would be some difference in the difference [sic] in that terminology? "Mr. POINDEXTER. Yes. In my mind. An agent would mean he was being paid. "Mr. MCCLURE. Did Colonel North, Mr. McFarlane, or yourself, or anyone else, suggest to the President in the debriefing that you were concerned or that they were concerned because Mr. Ghorbanifar was considered an asset of the Israeli Government? "Mr. POINDEXTER. That was not our concern at the time, Senator. Our concern-- "Mr. MCCLURE. It wasn't expressed at that time? "Mr. POINDEXTER. No. It wasn't expressed at that time. "Mr. MCCLURE. To your knowledge was anyone skeptical about proceeding further because of that allegation? "Mr. POINDEXTER. Well, that allegation I don't recall being made. I am getting a little confused, I guess. Your question is whether we knew he was an asset? "Mr. MCCLURE. And whether or not people expressed conern about going forward because he was an asset? "Mr. POINDEXTER. People expressed concern about going forward not because he was an asset but because the U.S. intelligence community had

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			not had a good experience with the man prior to that time and also based on Mr. McFarlane's face-to-face meeting with him." (Poindexter Testim., JHICI, 7/21/87, at 170-72.)
86/01/11-110 DECEMBER 19, 1985 - JANUARY 13, 1986			GHORBANIFAR'S CHARACTER: GENERALLY, AND THE LIE DETECTOR TESTS GEORGE ACCOUNT, Part 1: "Mr. Kerr. You did come into the picture [sc. George became aware of Ghorbanifar], however, on or about the 20th of December when Director Casey talked to you about Mr. Ghorbanifar in -- "Mr. George. Well, this is a very key point. It is a point I tried to refer to yesterday. At what point in that time span from that flight [the 11/85 HAWK transaction] to the finding did I get into the act about Ghorbanifar, because I got into the act -- excuse me -- preaching against him. "I arrived on the scene in Mr. Casey's office, Mr. McMahon's office, my office, wherever I could be heard, saying we don't want anything to do with this guy. There is a burn notice. "Yes, by the 20th, and now we are involved with the [redacted] affair. I will let you go on, counsel. At some point in there I am plugged into Ghorbanifar. "Mr. Kerr. In terms of triggering events, however, I mentioned to you the other day Director Casey had met with Mr. Ledeen on the 19th. "Mr. George. I have no recollection of that. "Mr. Kerr. You were not familiar with that. When Director Casey gave you the request to re-evaluate Ghorbanifar you and your people

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			decided that [redacted] would be the person to do that; correct?

"Mr. George. That is quite correct.

"Mr. Kerr. [Redacted] did make arrangements to go out and meet with Mr. Ledeen at his house and Mr. Ghorbanifar and ultimately Colonel North came by; is that correct?

"Mr. George. Yes.

"Mr. Kerr. The results of that work-up are contained in [George] Exhibit 49 and that is a document which is directed to Director Casey and I assume went to him. The conclusion of the episodes of the 22nd and 23rd of December is that you all decided that a polygraph test of Mr. Ghorbanifar should be taken; correct?

"Mr. George. [Redacted] came back from the meeting with Mr. Ghorbanifar only further convinced of the untruthfulness or the lack of trust that we could put in Mr. Ghorbanifar and we were urged again to test him possibly by the Director, possibly by Mr. McMahon, possibly by me. All right. Let's -- excuse the phrase we use, 'throw him back on the polygraph.'

"Mr. Kerr. One of the purposes of that was to try to establish by objective data, i.e., the test, some proof that this man could or could not be trusted?

"Mr. George. Yes. We were totally prejudiced. I mean we suffer every -- all the faults of human nature. We convinced ourselves that Ghorbanifar was absolutely untrustworthy, but if you want us to put him back on the polygraph, we will do that. And the results -- well, go

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			ahead. "Mr. Kerr. And the results were obtained when the polygraph was taken on the 11th of January. "Mr. George. He showed deception on 13 out of 15 questions. The only questions he passed were his name and his nationality." (George Testim., JHICI, 8/6/87, at 13-15; JHICI Ex. CG 49. See George Testim., JHICI, 8/6/87, at 145-52 [further George testimony on Ghorbanifar's lie detector test].)
86/01/11-111 DECEMBER 19, 1985 - JANUARY 13, 1986			GHORBANIFAR'S CHARACTER: GENERALLY, AND THE LIE DETECTOR TESTS GEORGE ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. Kerr. We have at [George] Exhibit 52 another entry from Colonel North's diary. This one is at Q-1440. It shows that at 12:20 p.m. on the 13th of January, you called Colonel North and said something to the effect Ghorbanifar is lying on 13 of 15 items? "Mr. George. I am sure I did. Because I was under pressure from Colonel North -- it is not fair to say 'pressure'. Colonel North, as I said yesterday, and I were on the phone with some regularity. Colonel North, if I can phrase it this way, wanted Mr. Ghorbanifar to pass his polygraph exam. "Mr. Kerr. You wanted to make sure Colonel North got the message? "Mr. George. I wanted him to get it from the horse's mouth that one more time Mr. Ghorbanifar in the exact phraseology shows deception on 13 out

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			of 15 issues. "Mr. Kerr. At the time you talked to Colonel North, were you aware Colonel North was in the process of drafting a revision to a finding that had already been signed on about the 6th of January? "Mr. George. As I said to you yesterday, counsel, I am sort of the fool here. I am playing the fool. It wasn't whether Colonel North was drafting a finding, using Ghorbanifar. The governments of Israel and the United States had been using Mr. Ghorbanifar since the summer of 1985 to involve themselves in a highly complicated international arms deal. So here is some guy running around talking about the polygraph when two major nations have already taken major foreign policy decisions based on his use. "Mr. Kerr. So at l[e]ast with the benefit of 20-20 hindsight, you perceive yourself having been participating in something of a charade at the time? "Mr. George. Well, you know, maybe I could have stopped it. I could have really raised hell and convinced everything in Jerusalem and Washington. "Mr. Cohen. Could you clarify, you were not aware at that time that Israel and the United States had been involved in a major, complicated arms deal? "Mr. George. At the time, no. But I am now -- but in July of 1987, I realize how silly I may have looked at the time. "Mr. Kerr. It is that concept, that feeling

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			of silliness, did anyone, Casey or otherwise, explain to you why you were put through that drill? "Mr. George. William Casey -- who was always kind and courteous and a dear friend of mine and never -- who never treated me otherwise, listened carefully to my pleas about Mr. Ghorbanifar. And if my memory serves me, I did something I rarely did with the Director. He is the Director, and I had great faith in him. I said, 'Bill, I am not going to run this guy anymore', which means in our language 'I will not handle him; he is a bum.' "And Casey said, 'Well, look, he does --' -- see, there are levels of Ghorbanifar. Ghorbanifar knows endless things: hit teams in Europe, these Iranian terrorist centers [redacted] plans to overthrow [redacted] all these different things. Bill Casey said to me, 'he has what appears to be valuable terrorist information.' "This is another problem. Terrorist information you cannot dismiss no matter how foolish it looks. You have got to take terrorist information seriously even though you think who told you is crazy. "He said to me, 'would you mind if I had my National Intelligence Officer for Counterterrorism meet with Mr. Ghorbanifar to discuss terrorism?' "And I guess I said, 'no, I don't mind.'" (George Testim., JHICI, 8/6/87, at 15-18; JHICI Ex. CG 52.)
86/01/11-113 1985-86			GHORBANIFAR'S CHARACTER: GENERALLY, AND THE LIE DETECTOR TESTS

LEDEEN RESPONSE TO GEORGE:

"A. . . . Finally, page 150, Mr. George said, with regard to the results of the polygraph, 'I am almost certain that Mr. Ledeen was advised, and, if he was advised, you can count on it like night follows day he told Mr. G[h]orbanifar.' The implication seems to be that I informed Mr. G[h]orbanifar of whatever I knew about the action of the U.S. government. This is also false.

"I communicated to Mr. G[h]orbanifar what I was asked to and withheld what I was supposed to, including the collection of intelligence on Mr. G[h]orbanifar's contacts and activities of which Mr. G[h]orbanifar was unaware.

". . . ."

(Ledeen, Senate Dep., 9/10/86, at 12 [citing George Testim., JHICI, 8/6/87, at 150]. On Ghorbanifar, generally, see Ledeen, House Dep., 3/11/87, at 46-49, 76-77, 89-93, 103-05, 170; Ledeen, Senate Dep., 6/22/87, at 156-57, 188-97, 245-59. On Ledeen's skepticism about Ghorbanifar's connection with Mossad, see Ledeen, Senate Dep., 9/10/87, at 10-11 [quoted above at 85/06/21-111], 21-22, 31-33. On Ghorbanifar's possible connection with the KGB, see id., at 62-63. On Ghorbanifar's polygraph exam, see Ledeen, House Dep., 3/11/87, at 91-92, 98-101; Ledeen, Senate Dep., 6/22/87, at 259-62. On Charles Allen's interviews of Ghorbanifar at Ledeen's house on 1/12 and 1/13/86, see id. at 262-66.)

86/01/11-115

GHORBANIFAR'S INTELLIGENCE INFORMATION

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JANUARY 13 AND JANUARY 26, 1986			GEORGE ACCOUNT: "Mr. Kerr. . . . As to the terrorism information that Mr. Ghorbanifar provided, not only as of January 13, but as of his meeting January 26 in England with Mr. Allen, your people evaluated that information, did you not? "Mr. George. Mr. Allen prepared and I think it is an exhibit, a nine-page, single-spaced typewritten report based on a meeting that he had in London in the Churchill Hotel with Mr. Ghorbanifar, 90 percent of which was Mr. Ghorbanifar's information on terrorism, I think, counsel. Correct me -- I do not believe it is a document here in my book, but the -- the NE Division of the Operations Directorate wrote a four-page rebuttal of that particular meeting pointing out the discrepancies, untruthfulness, lack of factuality in Mr. Ghorbanifar's tale. "Mr. Kerr. I think we have now put that in the book. I think [George] Exhibit 57 is the memorandum you have in mind. "The bottom line, though, is that when your people who were expert in this area evaluated the terrorism information of Mr. Ghorbanifar, they essentially concluded it was junk; isn't that right? "Mr. George. Yes." (George Testim., JHICI, 8/6/87, at 18-19; JHICI Ex. CG 57.)
86/01/11-116 1985-86			GHORBANIFAR'S CHARACTER GEORGE ACCOUNT: "Mr. Kerr. One of the other points that you

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			made yesterday is that Mr. Ghorbanifar was difficult for the CIA because he was very difficult to handle, to control, correct? "Mr. George. He is as complex an individual as -- I guess since he has got us into the last eight months -- I have ever run into. "Mr. Kerr. So in terms of a person for a trained operation -- "Mr. George. There couldn't have been a better mismatch. "Mr. Kerr. Your perception today, based on what you told us previously, is that your decision to pull away from Mr. Ghorbanifar and allow Mr. Allen to become his case officer may very well have been a mistake? "Mr. George. I would have said to you four months ago it was a terrible mistake; I should have fought with Casey, and said if we are going to handle this guy, I'll handle him and I'll get three of the meanest men I know alive and we'll handle him. "You see, all that was unimportant. It didn't matter what I said. It didn't matter whether I said, let my 18-year-old daughter handle him. They were already using him in a major international foreign affairs activity, so as I said yesterday, I'm not playing with the whole deck. "Mr. Kerr. In terms of the potential risks of having someone like Charlie Allen take on the responsibility for Ghorbanifar, do you today know whether those risks were brought to the attention of either the National Security Adviser or the

President?

"Mr. George. I do not."

(George Testim., JHICI, 8/6/87, at 21-22.)

86/01/11-120
1979-86

GHORBANIFAR AND THE CIA
GEORGE ACCOUNT:

"Mr. McClure. You have testified that the CIA thought Ghorbanifar was not reliable and you had a burn notice against him. Prior to your knowledge that Ghorbanifar was in this initiative, had the CIA been involved with Mr. Ghorbanifar before?

"Mr. George. Yes, our relations with Mr. Ghorbanifar go back to the '79-'80 period when the Shah fell. Mr. Ghorbanifar as best we can copy it out was a Sa[v]ak agent who had used, which was not untypical for the Persians, had used his Sa[v]ak position to make money. He fled Iran, s[e]t himself up in London [redacted] we used him in the '79-'81 period when the American diplomatic hostages were held in Tehran. Over and over up until '83 I believe, I think when we issued the burn notice, it became evident to us that Mr. Ghorbanifar's information, intelligence, regardless of the subject, was inaccurate, incomplete and dishonest.

"Mr. McClure. In spite of the fact that you had that conclusion and that you tried to dissuade others from depending upon Ghorbanifar, you described it as pretty much a done deal in which there wasn't much you would do about it?

"Mr. George. You have shown me things I did not know. I was working at a very low level in -- just pick the month, December '85.

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			"Mr. McClure. Do you have a feel for who was pushing his use? "Mr. George. The Israelis. I think Mr. Ghorbanifar is a recruited agent of the government of Israel [redacted] we do not believe Ghorbanifar's information. "Mr. McClure. Was Bill Casey pushing him? "Mr. George. Bill Casey never pushed Ghorbanifar with me. Now I know Casey certainly knew more about it than I knew he knew. When I went in and made my strong plea for breaking off with Mr. Ghorbanifar, Bill Casey moved the operation from myself to someone else." (George Testim., JHICI, 8/6/87, at 143-45.)
86/01/11-130 1985-86			GHORBANIFAR'S CLAIMS OF ACCESS TO THE VICE PRESIDENT NORTH EXECUTIVE SESSION: "[Redacted.] "Mr. Liman. The question I have is whether that was just a cover story that was given to Ghorbanifar. "Mr. North. No. No. Ghorbanifar was giving that story to -- "Mr. Sullivan. Wait a minute. "Mr. Liman. That was a cover story? "Mr. North. No. No. What it was, as best we could figure it out, was that when Ghorbanifar came to the United States, he would go back and tell young men -- and Iran is run by young men today. The country of Iran is run by people half the age of most of the folks in this room. I would be an old man in Iran, and that is an

important consideration in talking about what is happening in that revolutionary government, and I don't mean to go on a long political discourse here, but it was important to understand how Ghorbanifar was double dealing everybody.

"He would go back to them and he would say, 'I just met with Batri,' and Batri was their code name for the Vice President. If you would like a little joke on that, the Bush, Bosch battery is what is big in Iran. German battery company. Bosch, Bush, Batri was their code name by the Iranians for the Vice President. 'I just met with Batri and Batri says we can have a million Phoenix rifles,' or one of those things and leave us to work it out.

"[Redacted,] to my knowledge, he never even saw the Vice President, much less met with him." (North Testim., JHICI, Executive Session, 7/9/87, at 27-29.)

86/01/11-180
1985-86

THE IRAN INITIATIVE: IRANIANS INVOLVED
CODE NAMES:

For descriptions of Iranians identified only by code names in this Chronology and in the Iran-Contra Report, see the Report at the following pages:

First Iranian, Report at 164, 166
Second Iranian, Report at 164
the Adviser, Report at 238
First Contact, Report at 249
Second Contact, Report at 249
the Relative, Report at 249
the Engine, Report at 254

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			the Monster, Report at 254.
86/01/11-200 DURING 1986			GHORBANIFAR'S CHARACTER AND HIS LIES NORTH ACCOUNT: "Mr. LIMAN. Colonel, given the fact that Ghorbanifar couldn't pass a lie detector test on his own name, it didn't surprise you that Ghorbanifar was acting like a broker, telling each side what it wanted to hear? That wasn't a shock to you? "Mr. NORTH. Not at all. The level of deception in this particular case was immense." (North Testim., JHICI, 7/10/87, at 33-34. See id., 7/14/87, at 60 [North: Ghorbanifar was "seen by our intelligence service "as an Israeli agent."]. See also Secord Testim., JHICI, 5/6/87, at 17-18 [Secord on Ghorbanifar's character].)
86/01/11-250 DURING JANUARY 1986			THE IRAN INITIATIVE: GHORBANIFAR'S ROLE POINDEXTER ACCOUNT: "Mr. HEFLIN. One final question, as I see my time is up. "At the time that the decision was made to sell the arms and to pursue this strategic opening with the moderate faction in Iran, at that time was any thought given that the success of this mission was almost at that time entirely dependent upon first the effectiveness of Ghorbanifar, and, second, the reliability of Ghorbanifar? "Mr. POINDEXTER. I think I missed part of your question. "Mr. HEFLIN. Well, at the time the decision was made, was any thought given that at that

particular time that if you were going to be successful in the mission that it was largely dependent upon the effectiveness of Ghorbanifar and the reliability of Ghorbanifar?

"Mr. POINDEXTER. You are talking about the decision in January--

"Mr. HEFLIN. The decision to sell arms in January, when you made the finding, when the staff work was going on, the evolution of that[.]

"Mr. POINDEXTER. It was very clear to us that Ghorbanifar was not going to be a reliable channel, and that was based on our--the U.S. intelligence community's assessment of the man. It was also based on Mr. McFarlane's meeting with him in London in December.

"But we saw this as an opportunity to have further contacts, and the main reason that we wanted to have a meeting in Tehran as early as we could was to get beyond Mr. Ghorbanifar, because we knew that he was not going to be satisfactory, but we thought that he was the key to the door that would open that would give us exposure to other officials for whom we held out hope that we could reach through to somebody that would be a satisfactory channel.

"Mr. HEFLIN. Well, at the time in January, when the decision was made, wasn't it--if that was the intention at that time to develop other people, he was the one that would be selecting the people that you would be dealing with, was he not?

"Mr. POINDEXTER. Not necessarily.

"Mr. HEFLIN. Well, who[m] else at that time could you have depended upon?

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			"Mr. POINDEXTER. Well, we at some point, and I am not exactly sure when we learned this, but at some point we realized--well, I guess from the very beginning we realized that Ghorbanifar had to have other contacts inside the Iranian Government, and we were aware that there were different factions there and that any sort of meeting in Tehran would have to involve several other people. We also--I don't think we should ignore the impact of the Israeli evaluation. They felt that aside from the particular characteristics of Mr. Ghorbanifar, the Israelis were convinced that he indeed did have some good contacts in the country. "Mr. HEFLIN. Well, this will be my final question. At that time were you under the impression that Ghorbanifar was an agent of Israel? "Mr. POINDEXTER. I don't believe that we suspected that in January of 1986. I know Colonel North's testimony about that. I think that he may be right. We do not certainly have any confirmation of the fact as to whether or not Mr. Ghorbanifar is or is not an Israeli agent." (Poindexter Testim., JHICI, 7/21/87, at 11-14.)
86/01/12-100 JANUARY 12, 1986			THE IRAN INITIATIVE: REPLENISHMENT KOCH ACCOUNT: North calls Noel Koch late in 1985 and asks him to negotiate with an Israeli named Arrihim Ben Yusef for a price on Basic TOW missiles to sell to Israel for Iran. North says it is necessary to do this because Ledeen has been involved in previous negotiations. North suspects Ledeen has been

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			skimming and cannot be trusted. And Ledeen, knowing nothing about TOW prices, has already negotiated a price of $2,500 per TOW -- far too low to enable North to get the missiles from the Pentagon. North asks Koch to meet Ben Yusef to try to get the price up. On January 12, 1986, Koch meets with Ben Yusef at the TWA lounge in National Airport and negotiates a new price of $4,500. He sends word of that price to Colin Powell and to North. (Koch Testim., JHICI, 6/23/87, at 172-86. See Weinberger, House Dep., 6/17/87, at 84-85 [Weinberger on Koch's renegotiating the price of TOWs, and Ledeen's price of $2,500 per missile]. See also 86/01/16-653 [Ledeen's denial that he profited].)
86/01/12-110 AFTER NOVEMBER 1985			NORTH'S CODES KOCH ACCOUNT: Koch testified on North's codes: "Mr. SAXON. For this negotiation, Mr. Koch, were you given a code name by Colonel North? ". . . . "Mr. KOCH. It was Aaron. "Mr. SAXON. What was Colonel North's code name? ". . . . "Mr. KOCH. Paul. "Mr. SAXON. Did he give Mr. Ben Josef a code name? "Mr. KOCH. Yes. He was the Bookkeeper. "Mr. SAXON. What was the code name for missiles?

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			"Mr. KOCH. Dog. "Mr. SAXON. And what was the airport? "Mr. KOCH. The Swimming Pool. "Mr. SAXON. And what was Iran? "Mr. KOCH. Apple. "I want you to know we didn't use any of this nonsense. "Mr. SAXON. To complete the list for the record, what was the code name for Israel? "Mr. KOCH. It was Banana. "Mr. SAXON. And the United States? "Mr. KOCH. Orange. "Mr. SAXON. And hostages? "Mr. KOCH. Zebras. "Mr. SAXON. So I take it from your testimony there never came a time when Colonel North said that Paul was sending Aaron and the Bookkeeper to the Swimming Pool to get a price so that Orange could send some Dogs through Banana to Apple for some Zebras; is that correct? "Mr. KOCH. You would sort of start down that road and get so self-conscious, you couldn't do it." (Koch Testim., JHICI, 6/23/87, at 185-86. See JHICI Ex. DoD 13 [North's code sheets].)
86/01/12-115 UNTIL NOVEMBER 1986	NORTH'S CODES NORTH ACCOUNT: "One last point. I realize that people snicker when they refer to the code sheet. The reason we were using the code sheet was not some joke or childish code from Captain Midnight. We were talking on open telephone lines, and I will		

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	tell you now that were it not for that code and the fact that we were able to talk over open telephone lines, we might not have been able to capture the terrorists who seajacked the Achille Lauro and killed Leon Klinghoffer." (North Testim., JHICI, 7/8/87, at 40.)		
86/01/13-100 JANUARY 13, 1986			THE SHIFT FROM ISRAELI TO U.S. ARMS SALES MEMO FOR CASEY: A one-page, unsigned CIA memorandum dated January 13, 1986 updates Casey on the "Tow for Hostage deal." The memorandum shows that legal obstacles and the high cost of Improved TOW missiles are pushing the planners toward transforming the deal into one in which the Iranians would receive basic TOWs sold by DoD to the CIA under the Economy Act. After a review of the problems with other methods, the memorandum states: "Therefore they want to use the second option under which CIA would buy 4,000 basic Tows from DoD for $21 million. As far as Defense is concerned these purchases would be for general CIA uses for assistance in [redacted] etc., and other purposes. The money for the Iranian account would be transferred to the Israelis. The Israelis would transfer that money to a CIA account to pay for this purchase of the Tows from DoD, the shippers would move the Tows to the Israelis who would then move them on to the Iranians. The Israelis would keep their basic Tows and the problem of upgrading them to the new Tows would be handled in the normal DoD-Israeli relationship."

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			(JHICI Ex. OLN 55 [CIA untitled memo, 1/13/86]; Iran-Contra Report, at 206.)
86/01/13-105 JANUARY 13-14, 1986			THE SHIFT FROM ISRAELI TO U.S. ARMS SALES NORTH NOTEBOOK ENTRY: North's notes of a call to Noel Koch at the DoD on January 13, 1986 (but see NOTE ON DATE*, below) indicate that the plan for the Iran arms sales at that point involved sale of the TOW missiles by the DoD directly to Secord, with no involvement of the CIA. Secord would then deliver the TOWs to the Israelis: "Call to Noel "-License to Dick? "-Sell TOWs to Dick "-Gorba to xfer $ to Dick "-Dick to xfer $ to Pentagon "-Dick to P/U 1st load - del. to Israelis "-Need Intel" The following day, January 14, Koch called North and expressed concern about using Secord: "Secretary will blanch." In a notebook entry made the same day of a call from Casey, North indicated a different assessment: "Secord Op O.K." (North notebook entries, 1/13/86, 1/14/86 [Committee Documents Q 1451, 1452. NOTE ON DATE*: Q 1451 may be misdated. Q 1449 and 1450 appear to refer to late night 1/13/86 through early morning 1/14/86, although the pages are dated at top, "13 Jan 86." Date at top of Q 1452 is changed from 13 to 14 Jan. Q 1451 probably also should read "14 Jan," not "13

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			Jan."]; Iran-Contra Report, at 206.)
86/01/13-200 JANUARY 13, 1986		DIVERSION: GHORBANIFAR TELLS ALLEN ALLEN NOTES: See col. 3.	DIVERSION: GHORBANIFAR TELLS ALLEN ALLEN NOTES: Charles Allen, the CIA senior antiterrorism analyst, writes in his notes of an interview with Ghorbanifar: "can fund Contras." The note records Ghorbanifar's statement that funds generated from the projects he has been discussing could be used to support the Contras. (Allen's handwritten notes of meeting with Ghorbanifar, 1/13/86 [Committee Document C 180; reprinted in Iran-Contra Report, Appendix A, Vol. 1, at 1159]; Iran-Contra Report, at 205-06. See generally Ledeen, Senate Dep., 6/22/87, at 273-74, 276-77 [Ledeen: "It was never proposed, or Ghorbanifar never suggested to me that this was going to be a way of generating money for Ollie's boys, or Ollie's projects, or Contras, or anything of the sort."]. See also 86/03/07-060 [Ghorbanifar suggests Contra diversion to George Cave].)
86/01/13-400 JANUARY 13, 1986			PRESIDENT'S CONCERN ABOUT HOSTAGES NORTH NOTEBOOK ENTRY: North records in his notes, "Try to get results by State of the Union." (JHICI Ex. OLN 69-A [North notebook entry, 1/13/86 (Committee Document Q 1438)]. See Iran-Contra Report, at 205.)
86/01/13-401 SOMETIME IN JANUARY 1986			PRESIDENT'S CONCERN ABOUT HOSTAGES NORTH ACCOUNT: "Mr. LIMAN. Your notes from January indicate

a reference to the fact that you wanted them [the hostages] back in time for the State of the Union message. Do you recall that at all?

"Mr. NORTH. I don't, but if you show me the note, I am sure it will refresh my memory.

"Mr. LIMAN. Do you recall any conversations to that effect?

"Mr. NORTH. No.

". . . .

"Mr. LIMAN. The message that I was referring to in your notes is, for what it is worth, on page Q-1438 of Exhibit [OLN] 358, and it says, 'Try to get results by State of Union--' . . .

". . . .

"Mr. NORTH. Try to get results by State of the Union, right, which was coming up.

"Mr. LIMAN. Who originated that?

"Mr. NORTH. I am sure it was me. It was a date certain that was visible out there.

"Mr. LIMAN. Did you regard yourself as having a political objective?

"Mr. NORTH. I have absolutely no political ambitions whatsoever. I am not running for anything, and I am certainly not running from anything."

(North Testim., JHICI, 7/10/87, at 21, 23.)

86/01/15-120
DURING
JANUARY 1986

ARRANGEMENTS WITH THE ISRAELIS, SECORD'S ROLE, AND THE FINDING

McFARLANE ACCOUNT:

"Mr. LIMAN. Did you ever, incidentally, in talking to the Israelis about the original TOW sale, tell them they could get the TOWs back for

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			nothing? "Mr. MCFARLANE. No. "Mr. LIMAN. Did there come a time in January when you received a message from North asking you what your understanding was with the Israelis? "Mr. MCFARLANE. Yes. "Mr. LIMAN. And do you recall--and this is reflected in a note telling him that the understanding was that they would purchase them, but you hadn't agreed with them on what the price would be? "Mr. MCFARLANE. That is correct. "Mr. LIMAN. Now--and that is Exhibit 45-B. Were you told that the President signed a finding in January? "Mr. MCFARLANE. I was told, I am not certain of when, but I was told, I believe by Admiral Poindexter. "Mr. LIMAN. Was your advice sought? "Mr. MCFARLANE. No. "Mr. LIMAN. Were you asked in January whether you would be willing to undertake a summit meeting with the Iranians? "Mr. MCFARLANE. It doesn't ring a bell. It is possible. I tended to think, as I thought in December, that it was the wrong course to follow. "Mr. LIMAN. Were you told when you heard from Admiral Poindexter that a finding had been signed, that a decision had been made not to use the Israelis, but to use Secord? "Mr. MCFARLANE. That doesn't stand out at all, though I did learn of General Secord's involvement in January 1986.

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			"Mr. LIMAN. And what was the involvement that he had as it was described to you? "Mr. MCFARLANE. Well, it wasn't precisely clear to me, but I did take it that his involvement was in arranging for transportation, that is aircraft charters, to ferry things from one point, as in Israel, to Iran, and so forth. "Mr. LIMAN. Did you know that he was to be a middleman in the transaction? "Mr. MCFARLANE. No, I didn't. "Mr. LIMAN. Did you know that he was to be whatever a commercial cut-out is? "Mr. MCFARLANE. No, I didn't. "Mr. LIMAN. Have you ever heard that term? "Mr. MCFARLANE. Cut-out, not commercial cut-out. "Mr. LIMAN. What is a cut-out? "Mr. MCFARLANE. A cut-out is a person who masks the involvement of the CIA by being a person not clearly involved with the CIA, that is the operative, agent, concluding the deal with the foreign country. "Mr. LIMAN. And am I correct that you were not told that the weapons were being sold to General Secord at one price, and that he was selling the weapons to the Iranians at a higher price? "Mr. MCFARLANE. No, sir. "Mr. LIMAN. And that there was going to be a surplus or profit generated? "Mr. MCFARLANE. No, sir. "Mr. LIMAN. When was the first time you learned anything about that?

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			"Mr. MCFARLANE. The first time that I had heard that there were any pros [sic] at all, and-- "Mr. LIMAN. Was that the tarmac reference? "Mr. MCFARLANE. Yes. In May of 1986? "Mr. LIMAN. We will come to that. [See 86/05/28-400.] ". . . ." (McFarlane Testim., JHICI, 5/11/87, at 148-51; JHICI Ex. 45-B [North PROF to Poindexter, "Private Blank Check," 1/15/86: "Per instructions, I called RCM Re understandings on the original 504 TOWs shipped by Israel to Iran. . . ."].)
86/01/15-140 JANUARY 15, 1986			IRAN ARMS SALES: WEINBERGER'S OBJECTIONS AND SECORD'S ROLE NORTH PROF: In a PROF message to Poindexter, North writes: "Casey believes that Cap [Weinberger] will continue to create roadblocks until he is told by you that the President wants this to move NOW and that Cap will have to make it work. Casey points out that we have now gone through three different methodologies in an effort to satisfy Cap's concerns and that no matter what we do there is always a new objection. As far as Casey is concerned our earlier method of having Copp [Secord] deal directly with the DoD as a purchasing agent was fine. He did not see any particular problem w/ making Copp an agent for the CIA in this endeavor but he is concerned that Cap will find some new objection unless he is told to proceed." In the same PROF, North indicates that the

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			"most recent proposal" to use Secord as an "agent for the CIA" depends on the Israelis' agreeing to pay a higher price than they are then offering the United States. The message suggests that North, knowing that Ghorbanifar was willing to pay $10,000 a TOW to the Israelis, was seeking to have more of the residual profit flow to the U.S. side rather than to Schwimmer and Nimrodi. (Iran-Contra Report, at 207; JHICI Ex. OLN 57 [North PROF to Poindexter, "Private Blank Check." 1/15/86; = Exx. 8; JMP 25]. See 86/01/17-351 [Poindexter on Ex. JMP 25].)
86/01/15-143 JANUARY 15, 1986			IRAN ARMS TRANSACTIONS: WEINBERGER'S VIEW WEINBERGER ACCOUNT: "Mr. EGGLESTON. Between January 7 and January 17, there are a series of PROF notes[,]. . . Exhibits [CWW] 16 and 17 . . . which indicate that you continued to object to this program. ". . . . "Mr. EGGLESTON. . . . [Ex. CWW 16] reads: 'In accordance' --IAW-- '. . . with your direction, met with Casey last night after Weinberger's speech at Fort McNair.' [T]his is a PROF note, dated January 15 of 1986. 'Casey then tried to contact Cap . . . but he had already departed. Casey has called urging that you convene a meeting with he [sic] and Cap, ASAP so that we can move on. Casey's view[] is that Cap will continue to create roadblocks.' "If you turn to Exhibit [CWW] 17 . . .: 'Casey believes that Cap will continue to create

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			roadblocks until he is told by you that the President wants this to move now', and the now is in caps, 'and that Cap will have to make it work. Casey points out that we have now gone through three different methodologies in an effort to satisfy Cap's concerns and that no matter what we do, there is always a new objection. As far as Casey is concerned, our earlier method of having Cop[p]', which is a code name for General Secord, 'deal directly with the DOD as a purchasing agent was fine. He did not see any particular problem with making Cop[p] an agent for the CIA in this endeavor, but he is concerned that Cap will find some new objection unless he is told to proceed.' "That is also a PROF note on January 15. Do you recall that during that time period you were continuing to put up vigorous objections to this? "Secretary WEINBERGER. Well, our--I was within the Department and I imagine the departmental people, General Powell, Richard Armitage, people familiar with it were probably relaying these, these objections, yes, and I would assume that, I hadn't seen this note before issued to me in preparation for the hearings, but I would assume that we were continuing to raise the points about the Arms Export Control Act, and a lot of the undesirable policy aspects of it as it appeared. "Up to that time, we had not received any Presidential decision. We just had continual requests to start doing something along this line. "Mr. EGGLESTON. You don't recall any direct dealings with Admiral Poindexter or Director Casey

or Colonel North on this issue during that time period?

"Secretary WEINBERGER. During that time period?

"Mr. EGGLESTON. During this period between January 7 to January 17?

"Secretary WEINBERGER. No, I can't remember which day it was, but right around about that time, perhaps the 17th, Admiral Poindexter telephoned and said the President had decided against the arguments he was making in favor of making these shipments, and that a certain number of TOW missiles were to be transferred to the CIA, and that there was a desire to move on it rapidly; some additional talk of hostages and things of that kind, and I passed this on to General Powell.

"Mr. EGGLESTON. Just so that the record is clear: Who is General Powell at that time?

"Secretary WEINBERGER. General Powell is my military assistant, but he left very shortly thereafter for his assignment in Germany.

"Mr. EGGLESTON. And you have made reference to Mr. Armitage. What was his position?

"Secretary WEINBERGER. He was Assistant Secretary of Defense for international security affairs."

(Weinberger Testim., JHICI, 7/31/87,at 111-15. JHICI Exx. CWW 16 [North PROF to Poindexter, "Private Blank Check," 1/15/86], CWW 17 [continuation of Ex. CWW 16]. See Weinberger, House Dep., 6/17/87, at 52-55, 61-62 [PROF on Weinberger's creating roadblocks]. See 86/01/17-030, -031 [Poindexter's call to

Weinberger, 1/17/86].)

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THE IRAN INITIATIVE: REPLENISHMENT AND ISRAEL'S ROLE

NORTH ACCOUNT, Part 1:

North testified with regard to his notes taken January 15, 1986 of a conversation with Amiram Nir:

"Mr. NIELDS. And [Nir] was your Israeli contact in connection with the arms transactions?

"Mr. NORTH. By then he was. In fact, by the first of January, he was.

". . . .

"Mr. NIELDS. And the first note is, 'Joshua has approved proceeding as we had hoped.' Who is Joshua?

"Mr. NORTH. Joshua was an Israeli-originated code name for one of the Israeli officials.

"Mr. NIELDS. I would like you to turn to the back of this Exhibit, [OLN] 69-A, the very last page. Is that a code sheet?

"Mr. NORTH. Yes.

". . . .

"Mr. NIELDS. Who was Joshua?

"Mr. NORTH. The President.

"Mr. NIELDS. . . . [T]he second line of your note is 'Joshua and Samuel have also agreed on Method 1.' First, I think I['d] better ask you who Samuel is.

"Mr. NORTH. . . . Secretary Weinberger.

"Mr. NIELDS. And what is Method 1?

"Mr. NORTH. Well, I don't recall, but it was probably the arrangement that we eventually

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			consummated to replenish the Israeli TOWs and weapons through the CIA. "Mr. NIELDS. Well, look again at your code sheet, . . . and opposite Method 1 it says replenishment by sale and Method 2 is replenishment by pre-positioning? "Mr. NORTH. That does refresh my memory. . . . "Mr. NIELDS. So, pre-positioning would be to have our weapons already in Israel before any Israeli shipments? "Mr. NORTH. Yes. As I recall, there was also a third method that we would agree to replenish within a certain number of hours, as had been done, for example, in 1973, where we flew massive quantities of material in U.S. military aircraft to Israel on very short notice. "Mr. NIELDS. And Method 1, I take it, was to have the Israelis ship first and the United States replenish later, and that is the method which you are communicating to Mr. Nir on the 15th that Joshua and Samuel have agreed to? "Mr. NORTH. No. . . . [T]he important point . . . is that we were going to agree to sell to Israel the replacements for the stocks that they had already shipped, and if they shipped any more in the future. "We eventually came to the point where we decided we didn't want them to ship directly because of other complications. ". . . . "Mr. NORTH. . . . If what you are saying is that we all saw problems with the Arms Export

Control Act, I am not arguing with that. What I am trying to say is that we were looking for a legal, legitimate way to do it, and I thought we had found it.

". . . .

"Mr. NIELDS. The next entry on this note of a conversation with Mr. Nir is, 'Resupply should be as routine as possible to prevent disclosure on our side. May take longer than two months. However, if crisis arises, Joshua promises that we will deliver all required by Galaxy in less than 18 hours.'

"Mr. NORTH. Right.

"Mr. NIELDS. I take it you were communicating to Mr. Nir a decision that had then been made by the President concerning the circumstances under which we would replenish?

"Mr. NORTH. Exactly."

(North Testim., JHICI, 7/8/87, at 11-19; JHICI Ex. OLN 69-A [North's notes].)

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THE IRAN INITIATIVE: REPLENISHMENT AND ISRAEL'S CONTINUED ROLE

NORTH ACCOUNT, Part 2:

North's testimony on his notes of his conversation with Nir continued:

"Mr. NIELDS. The next entry is, 'Joshua also wants both your government and ours to stay with no comment if operation is disclosed.'

"Mr. NORTH. That is what we committed to on both sides.

"Mr. NIELDS. And again, you were communicating to Mr. Nir instructions that you had

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			received from the President? "Mr. NORTH. Well, I want to make it very clear, I did not receive those directly from the President of the United States. "Mr. NIELDS. Who[m] did you receive those from? "Mr. NORTH. Those instructions were received by me from Admiral Poindexter, who specifically told me that 'here's what has been decided and here's how we are going to proceed, and communicate that to your Israeli point of contact.' . . . " (North Testim., JHICI, 7/8/87, at 18-19; JHICI Ex. OLN 69-A [North's notes].)
86/01/15-200 JANUARY 15, 1986			THE IRAN INITIATIVE: ISRAEL'S CONTINUED ROLE NORTH ACCOUNT: "Mr. LIMAN. . . . [W]as the point of view expressed to you that we have to keep Israel involved in this so that it can be blamed on them, if it is exposed? "Mr. NORTH. I don't want to use the word blame. I don't think I ever used it, but very clearly, because this was a covert operation and a covert activity, to the extent that we could have several layers of plausible deniability, it would serve our purposes. "And because of [Operation] Staunch and the result of it, we did not want the U.S. Government's hand or role in this activity exposed, and thus we were, as I said earlier, we tried to mirror the Israeli model, if you will, o[r] as they did. They set up a private citizen

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			in the case of--or citizens, I think they are private citzens, Schwimmer and Nimrodi. "We tried to mirror the same thing, to separate the U.S. Government as far as possible from recognizable involvement. "Mr. LIMAN. But you not only wanted the private citizen, in our case General Secord, but you also wanted the Israelis there; is that correct? "Mr. NORTH. That is correct. "Mr. LIMAN. Do you recall conveying the message that Mr. Nields showed you in code to the Israelis asking them if they could live with no comment if it became exposed? "Mr. NORTH. I believe that was their idea, and we all agreed to it. "Mr. LIMAN. . . . [B]ut the message attributes that to Joshua. You thought when you first saw it that Joshua may have been an Israeli, but we all know that Joshua is number one, the President, right? "Mr. NORTH. That is right." (North Testim., JHICI, 7/10/87, at 19-20; JHICI Ex. OLN 69-A [North notes for 1/15/86]. See North Testim., JHICI, 7/8/87, at 10-15.)
86/01/15-300 JANUARY 15, 1986			IRAN ARMS TRANSACTIONS: CONGRESSIONAL NOTIFICATION CIA MEMO: In a memorandum for the record, an aide to Stanley Sporkin, the CIA General Counsel, records a conversation with Sporkin and North about "reporting requirements" if Secord were used as a

conduit:

"1. At approximately 1420 hours today I received a secure line telephone call from the General Counsel. He wanted to discuss whether I saw any problems or reporting requirements with a proposal to have DoD provide weapons to a CIA 'agent' who would pay for the weapons with money supplied by a friendly third country. The agent would then supply the weapons to the intended recipient country. The agent would have no connection with CIA other than to act as a 'middle man' with our authority.

"2. I told the General Counsel that I would feel more comfortable if CIA were directly involved in the activity and that it would be essential that we act in furtherance of a traditional covert action objective. . . .

"3. Despite repeated urgings to concur in variations that would have DoD provide the weapons without other than token CIA involvement, I did not do so. . . .

". . . ."

(JHICI Ex. SS 17 [CIA Legal Staff Memorandum for the Record, "Telephone Call from General Counsel Regarding Authority to Provide Weapons to Third Parties Pursuant to Presidential Findings," 1/15/86]. See Iran-Contra Report, at 207.)

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IRAN ARMS TRANSACTIONS: CONGRESSIONAL NOTIFICATION

SPORKIN MEMO:

Sporkin writes to Casey in a memo on Congressional notification:

". . . .

"The key issue in this entire matter revolves around whether or not there will be reports made to Congress. Each of the Acts involved--the Foreign Assistance Act, the Arms Export Control Act, and indeed the National Security Act as amended--have [sic] certain reporting provisions in them. While the National Security Act provides for a certain limited reporting procedure, it is my view that there may be other ways of making a suitable report by exercise of the President's constitutional prerogatives.

"One such possibility would be not to report the activity until after it has been successfully concluded and to brief only the chairman and ranking minority members of the two Oversight Committees. This would maximize the security of the mission and reduce the possibility of its premature disclosure.

". . . ."

(JHICI Ex. SS 16 [Sporkin memo to Casey, "Talking Points," 1/15/86]. See Iran-Contra Report, at 207.)

86/01/16-005
JANUARY 16,
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NATIONAL SECURITY BRIEFING: HOSTAGES DISCUSSED
NSC LIST:

An unsigned, unlabeled NSC Meeting Chronology lists:

"January 7, 8, 9, 16: Discussion of Hostages during NSB"

(NSC Meeting Chronology [Committee Document N 7718]. On the NSC Chronology entries, see 85/12/07-090.)

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86/01/16-100 BETWEEN JANUARY 15 AND 17, 1986			THE IRAN INITIATIVE: LEGAL CONCERNS NORTH ACCOUNT: North testified, when asked about the change in structure of the transaction from that described in his notes of January 15 to that described in the cover memo for the January 17 Finding: "Mr. NIELDS. . . . [I]n fact, when the finding was signed two days later, the transaction was structured differently. "Mr. NORTH. No. The transaction to replenish the Israelis didn't change, I don't believe. ". . . . "Mr. NIELDS. Exhibit [OLN] 60 is a covert action finding of the 17th of January together with a cover memo relating to that finding. "Mr. NORTH. That is correct. "Mr. NIELDS. At the bottom of the first page of the cover sheet, it states: 'As described by the Prime Minister's emissary, the only requirement the Israelis have is an assurance that they will be allowed to purchase U.S. replenishments for the stocks that they sell to Iran.' "Above that is described an Israeli proposal of Israeli sales followed by U.S. replenishment. "The next sentence reads: 'We have researched the legal problems of Israelis selling U.S.-manufactured arms to Iran. Because of the requirement in U.S. law for recipients of U.S. arms to notify the U.S. Government of transfers to third countries, I do not recommend that you agree

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			with the specific details of the Israeli plan. "'However, there is another possibility. Some[ ]time ago, Attorney General William French Smith determined that under an appropriate finding, you could authorize the CIA to sell arms to countries outside the provisions of the laws and reporting requirements for foreign military sales.' "Then it refers, lower down in that page, to direct sales by us to Iran not involving Israel. "So I take it it is fair to say that the plan changed? "Mr. NORTH. Yes. "Mr. NIELDS. And that was because of . . . legal concerns arising under the Arms Export Control Act? "Mr. NORTH. Exactly, and what I want to emphasize, Counsel, is that between the 17th of November and the 17th of January, we got smarter as we went along in terms of what the constraints might be and the proper and best way to carry this out." (North Testim., JHICI, 7/8/87, at 19-21; JHICI Ex. OLN 60 [1/17/86 Finding, with cover memo from Poindexter to the President].)
86/01/16-108 JANUARY 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT, AND CONGRESSIONAL NOTIFICATION SUMMARY: For a summary of the Attorney General's advice on the issue of Congressional notification of the arms sales to Iran, see Iran-Contra Report, at

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86/01/16-110 JANUARY 7-16, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S MEETINGS AND HIS KNOWLEDGE OF THE IRAN INITIATIVE, GENERALLY MEESE ACCOUNT: The Attorney General, in his opening statement, testified: "Following the meeting on the 7th of January and over the next ten days, I attended one or possibly two follow-up meetings which included Director Casey, Admiral Poindexter, CIA General Counsel Sporkin, and myself. The one meeting that I most clearly recall took place on the 16th of January, 1986. I believe that Secretary Weinberger also attended at least part of that meeting. We discussed section 501 of the National Security Act, the law involving notification to Congress of certain covert activities. General Counsel Sporkin explained his analysis of the statute. After reviewing the statute, I concurred with the Central Intelligence Agency's advice that notification to Congress could, i[n] the circumstances, be postponed due to the imminent danger facing the hostages. "In this regard, I should emphasize that the expectation at the meetings that I attended in January was that the administration would notify Congress as soon as possible after the hostages were on board an airplane, out of the Middle East, and under the control of the United States. "There was no desire or plan, to my knowledge, to keep this matter from the Congress. There was

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			simply a recognition that this was a highly sensitive activity and that human lives were at stake--the lives of the American hostages and the lives of the more pragmatic Iranian elements who were willing to attempt a relationship with the United States. "We were all acutely aware that if word of the initiative got out, however innocently or inadvertently, it would likely be fatal to the hostages and to others helping in their release. "It is precisely because of this concern that knowledge of this operation within the Administration was so closely held and shared on only a very strict need-to-know basis. "Indeed, I was among those not kept advised of the Iranian initiative after rendering the advice that I mentioned in January of '86. "Apparently there was no continuing need for me to know of efforts undertaken to implement this program. And in that regard I had not been included as a necessary participant in 1985 when the concept of an Iranian strategic initiative had first been suggested and developed. And I, along with some other members of the National Security Council, had not been informed at any time in 1985 about any arms shipments that occurred during that year or about any related presidential findings prepared or signed prior to January 1986. "I had no awareness of such matters until I learned of them for the first time in November 1986, and thereafter." (Meese Testim., JHICI, 7/28/87, at 7-9. See Weinberger, House Dep., 6/17/87, at 56-61

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			[Weinberger on the 1/16/86 meeting attended by Sporkin].)
86/01/16-115 NOVEMBER 1985 - NOVEMBER 25, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT MEESE ACCOUNT: "Mr. VAN CLEVE. Mr. Attorney General, . . . I want to ask some very specific questions now about the relationship between your prior legal advice, that is, the advice you gave with respect to the January 1986 finding, and the activities of the weekend of November 21st to the 24th 1986. The first question is this--you testified earlier that you weren't informed prior to November 1986 with respect to these 1985 arms shipments; is that correct? "Attorney General MEESE. That is correct. "Mr. VAN CLEVE. And it, therefore, follows that you never expressed an opinion as to the legality of those transactions prior to November 25, 1986; correct? "Attorney General MEESE. That is my recollection, yes. "Mr. VAN CLEVE. And the oral, legal opinion that you did render in January 1986 was directed to and solely confined to certain aspects of the 1986 arms shipments; correct? "Attorney General MEESE. That is correct to the prospective arms transfers, which were discussed at the meeting on the 7th of January as part of the total Iranian initiative, yes. "Mr. VAN CLEVE. And after you became Attorney General, if I understood your earlier testimony

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			correctly, you never were asked to and you never gave legal advice to anyone in the Administration on the legality of using excess proceeds from the sales of U.S. arms for any purpose on or before November 25, 1986; correct? "Attorney General MEESE. That is correct. As a matter of fact, I didn't know of any such thing or of any compilation of any such thing and had I been asked for my opinion, I would have advised strongly against it. "Mr. VAN CLEVE. In short, during the weekend of November 21 through November 24, 1986, during your fact-finding inquiry, you weren't asked to assemble facts concerning which you had given prior legal advice, were you? "Attorney General MEESE. I was asked to assemble facts as to the Iranian initiative about which I had given legal advice in January 1986. "Mr. VAN CLEVE. But so the record is clear, the principal factual uncertainties that you were asked to take a look at really dealt with the 1985 period, isn't that correct? That was where people's memories were haziest, where the documents were the least clear? "Attorney General MEESE. My understanding was that the factual overview had to do with the entire Iranian initiative, but you are correct in the sense that the memories seemed to be left [sic (less?)] clear as to what had happened in 1985 about which we had very little knowledge up until I commenced the inquiry over that weekend." (Meese Testim., JHICI, 7/28/87, at 196-98.)

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86/01/16-120 JANUARY 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT- MEESE ACCOUNT: "Mr. RUDMAN. When you were brought into the arms initiative in January of 1986, you were brought in to give legal advice on the initiative as it was requested; is that correct? "Attorney General MEESE. Yes, sir. "Mr. RUDMAN. And you gave advice, I believe, on two legal issues that were raised by the arms sales; am I correct? "Attorney General MEESE. Yes, Senator. "Mr. RUDMAN. And one issue was whether or not notice to Congress could be delayed under the timely notice clause of the Hughes-Ryan Act and the other was whether arms sales could be done under the National Security Act rather than the Arms Export Control Act; am I correct? "Attorney General MEESE. That is correct. "Mr. RUDMAN. You gave those opinions according to your testimony, you didn't ask anyone at the Department of Justice to do any additional legal research for you on those issues; am I correct? "Attorney General MEESE. That is correct. "Mr. RUDMAN. Your reason, as stated yesterday, was that you did not ask anyone to do that research because you felt the matter was too sensitive to share with anyone in the Department; is that correct? "Attorney General MEESE. What I said was that it was so sensitive that it was my understanding

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			that it was to be--that knowledge of this was to be limited to those people essentially who were in the group advising the President at the time and those that were absolutely necessary in order to carry out the initiative in other Departments. "Mr. RUDMAN. Was that some limiting factor that was given to you by someone at the White House? "Attorney General MEESE. I am not sure whether it was explicitly stated. It was certainly implicit in the fact that even in the group that met with the President, not all the members of the National Security Council were included. "Mr. RUDMAN. Well, I understand that; but knowing your Department fairly well, and knowing of the people in it and the high degree of professionalism of those people and some of the people--in fact, you have an intelligence section, if you will, within the Department--I just don't understand why there were not at least one or two of your bright young people--professional or political, it would make no difference--whom you could have consulted to give you some basic research on the issues that you had to look at, which unfortunately were not researched. "Attorney General MEESE. Senator, they were researched. I personally looked into them. It is quite interesting to note that after this matter came to public attention in November of 1986, I did have them separately researched at that point by the Office of Legal Counsel in the Department of Justice.

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			"The conclusions they reached after several days of research coincided exactly with the conclusions that I presented during that period in January of 1986. "I might say their research was independent of anything I suggested that they do. "Mr. RUDMAN. Wouldn't you agree with me, Mr. Attorney General, that there are people in the Justice Department, professional people, no matter how extraordinary the circumstances, that can be consulted on matters of utmost sensitivity to give an underlying research basis for whatever opinions the Attorney General of the United States gives the President? "Attorney General MEESE. Yes, sir, and if I felt they had been needed in that instance, I would have brought them in." (Meese Testim., JHICI, 7/28/87, at 3-5.)
86/01/16-121 JANUARY 7-17, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT MEESE ACCOUNT, Part 1: "Mr. COHEN. I was curious on January 7th, 1986, you apparently were brought into the meeting that occurred in the White House pretty cold? "Attorney General MEESE. Yes, sir. "Mr. COHEN. I think you indicated you may have had a meeting the day before. You had been apprised of that but had no recollection of that. But as of January 7th, you were brought in and asked to give an opinion as to the wisdom of going forward with the so-called Iranian Initiative? "Attorney General MEESE. I wasn't asked to

give an opinion in that sense. I was asked to participate in the discussion. I was asked to concur in some legal views.

"Mr. COHEN. Did you not indicate that you favored the initiative going forward?

"Attorney General MEESE. Yes. I was asked what my opinion was, as were others there.

"Mr. COHEN. Isn't that an opinion?

"Attorney General MEESE. Yes, but not in the sense of being the sole person to give an opinion. As one of a group in a discussion, yes. My opinion was asked during the discussion.

"Mr. COHEN. All I am getting at is you were brought in, and this is the first time you had any information concerning this. You were not aware, for example, of the conversations Bud McFarlane had back in July of 1985 and August of 1985. You were not aware of the decisions in September or October pertaining to the shipment of Hawk spare parts? You were not aware of the December 7th meeting even though your records--you thought you were there?

"Attorney General MEESE. No, I never thought I was there.

"Mr. COHEN. Someone apparently thought you were at that meeting?

"Attorney General MEESE. Only people who didn't know what was going on. I knew very clearly I was in Vienna.

"Mr. COHEN. So you had no basic background in this entire initiative prior to January 7th?

"Attorney General MEESE. That is correct.

"Mr. COHEN. You were called upon to, as a

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			member of the NSC, as such, to give an opinion as to your judgment as to whether, who should go forward at that time, correct? "Attorney General MEESE. That is correct. "Mr. COHEN. You were aware of Operation Staunch that the Secretary of State was very much concerned about in terms of trying to persuade our European allies and others not to sell weapons to the Iranians? "Attorney General MEESE. Yes, sir. I was generally aware of it. "Mr. COHEN. And the Department of Justice also, I think, had a fairly active antiterrorist program it was promoting? "Attorney General MEESE. Very definitely. "Mr. COHEN. What was it that led you to decide in favor of going forward under those circumstances where the Secretary of State, the Secretary of Defense were vehemently opposed to the sale of weapons to the Iranians as part of this package? "Attorney General MEESE. Well, there were several things, Senator Cohen. I described it since that time as a 51-49 percent type of judgment which could have gone either way. The principal things that were involved were, first of all, the statements that had been made to us, I believe, by Admiral Poindexter that the Israelis had talked to them about the fact that there were elements within the factions in the Iranian Government that were willing to develop a channel of communication with the United States. I had been very much concerned as a member of the

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			National Security Council, studying that whole region, about the Soviet threat to that region and about the high probability that any continuation of the Iran-Iraq War could create a vulnerable situation which the Soviets would be able to capitalize on what was happening in that region. "So, secondly, we were very much concerned about the way in which events had turned since 1979, that what had been a rather staunch ally of the United States in that area was now an implacable foe, and it was a great desire on my part, as it was on many there, to develop a means of establishing an improved rapport for the future with the government that either might follow the Khamenei [sic], which some say that will have to happen, or any other change in the government that might take place." (Meese Testim., JHICI, 7/29/87, at 40-43.)
86/01/16-122 JANUARY 7-17, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT MEESE ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. COHEN. You had no prior discussions about the need to change the relationship with Iran and the United States? "Attorney General MEESE. Oh, sure. "Mr. COHEN. Oh, you had? "Attorney General MEESE. This had happened on many occasions, going back to 1981, when we had overviews of the geopolitical situation in the world. "Mr. COHEN. [A]ll of those came back negative

in terms of trying to establish a relationship based upon any transfer of arms?

"Attorney General MEESE. Well, I don't think the subject of transfer of arms had ever been brought up. I think it was a matter rather of the desire to have an improved geopolitical situation. I think also we were all concerned about the Iran-Iraq War and what that was doing; and, indeed, had that initiative been successful, we might not have some of the problems we are having today.

"There was also the aspect of terrorism, and there w[ere] representations made to us at that meeting that this particular element within the government was trying to lead Iran away from support of or participation in terrorism; and, finally--and this was certainly a factor--there was an indication that these elements did have some influence upon the Hizballah or other forces in Lebanon that were holding our hostages and that as a means of obtaining their assistance in trying to get the release of those hostages, this would be one aspect of the total initiative.

"Mr. COHEN. That was a consequence then?

"Attorney General MEESE. No. That was a part of the initiative. That was one of the signs of good faith, but also one of the possible results or anticipated results, actually. And furthermore, it was described to us that we would be involved only with small quantities of defensive weapons which would not alter the balance or contribute particularly to increased terrorism or to affecting the war through the weapons as opposed to affecting the war through the activities that these particular--this particular element would engage in.

"Those were the factors that I had in mind when I agreed with the Assistant to the President for National Security Affairs and the Director of Central Intelligence that on a close call, I thought it was worth trying.

"Mr. COHEN. I believe at that time you recalled the William French Smith opinion?

"Attorney General MEESE. As to the means, yes. The question was asked of me, would it be--Bill Casey, I believe said to me[--]as you know, this can be done through the National Security Act rather than the Arms Export Control Act, as Bill Smith's opinion indicated, and I remember very clearly, because there had been quite a NSC discussion of that matter in relation to another situation in 1981.

"Mr. COHEN. So Director Casey raised the William French Smith opinion?

"Attorney General MEESE. Yes.

"Mr. COHEN. You recall that?

"Attorney General MEESE. I recall that very clearly.

"Mr. COHEN. You didn't have to look at the opinion?

"Attorney General MEESE. No. I recalled the opinion very well. I had studied it very extensively back in 1981.

"Mr. COHEN. Didn't the opinion also contain the following language: 'In order to satisfy the congressional reporting requirements of the

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			Intelligence Oversight Act of 1980, the House and Senate Intelligence Committees should be informed of this proposal'? "Attorney General MEESE. Yes, it did. "Mr. COHEN. That wasn't applied in this particular case? "Attorney General MEESE. That was a separate issue. Then the issue was raised at that meeting on the 7th, can the President--I think everybody there was in agreement that the President should delay notification of Congress, and I was asked, 'Is this legal?' I said I believed it was under the provisions of the National Security Act, but I would want to check that by reading the statute. "Mr. COHEN. Yesterday-- "Attorney General MEESE. And, in fact, I did." (Meese Testim., JHICI, 7/29/87, at 43-46.)
86/01/16-123 JANUARY 7-17, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT MEESE ACCOUNT, Part 3: [Continuing from preceding entry:] "Mr. COHEN. Yesterday you indicated your judgment, in the way it was portrayed at that time, that you contemplated and everyone else contemplated a period of roughly 30 to 60 days during which time the hostages would be back; as soon as they were on board ship in the Mediterranean, Congress would be notified? "Attorney General MEESE. Yes. Actually aboard a plane is what I understood it to be. But it would be a relatively short period. Although

while that was not definitive in terms of this, it certainly made it easier to come to the conclusion that timely notification could be delayed.

"Mr. COHEN. How would that further the relationship for the Iranian moderates if we were to within that 30 to 60-day period get all of our hostages, put them on board a plane or ship, notify Congress, run the risk as everyone was concerned about this leaking, and consider having a long-term relationship with the Iranians? Wouldn't that totally wipe out the so-called first channel or later the second channel if in fact we--once we got our hostages back, now is the time to notify Congress and run the same risks of leaks?

"Attorney General MEESE. Well, I think two things. First, it certainly would not have posed a risk to the hostages, and that was one of the risks.

"And, secondly, I think that having had that successful aspect of it, that it was less likely that we would run those risks. Certainly the Iranians could be much more removed from the situation than to be directly involved in sensitive negotiations with the Hizballah.

"Mr. COHEN. Mr. Attorney General, I just want to make the point again that I think the administration has overstated the case in trying to hold out the fear of a leak coming from one of the leadership, either the House or Senate, on this issue that it would jeopardize the lives of hostages. I think it is clear from the record that we are entrusted with many many covert

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			actions that certainly involve the risk of lives, involve[] many more millions of dollars than is involved in this particular case. Yet the Congress has been trusted. "I would venture to say I think the reason that we were not to be entrusted with this operation, number one, because it was an expressed contradiction to the public policy adopted by the administration, namely trading weapons with the Iranians; and, number two, that the administration was so deeply divided. I am struck by the notion that somehow Congress could not have been trusted with this information about the transfer of weapons to Iran when I look down the list of those who knew. We have Ghorbanifar, the Iranian, who has been described as a professional or pathological liar. We had Adnan Khashoggi, an international financier. We have Mr. Furmark, and we can talk about him in a moment; we have two Canadian businessmen; Rafael Quintero; Mr. Nir; Nimrodi; Mr. Secord; but not Bob Dole, Robert Byrd, Lee Hamilton, or Dick Cheney, or not Speaker O'Neill or Bob Michel. That really troubles me. "Attorney General MEESE. Senator, I can only say as an observer, because I can share your concern, quite frankly, the one thing I am convinced is that in the President's mind, and certainly my mind as well, this delay in complying with this timely notification requirement was solely out of concern for the jeopardy of the hostages and the elements in Iran. "The other aspects, whether there was a divided administration, or whether there w[ere]

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			some policy differences that might come from this, certainly was not a consideration in my mind, and I am sure it was not in the President's mind." (Meese Testim., JHICI, 7/29/87, at 46-48.)
86/01/16-124 JANUARY 7-17, 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT MEESE ACCOUNT, Part 4: [Meese response continuing from preceding entry:] "[Attorney General MEESE.] I also would say that I think personally it should--that there should be few, if ever, instances, and this was one of the very rare instances where this administration has not immediately provided prior notification. I have been present, for example, in the Grenada rescue effort where those same officials you mentioned were brought down in my presence. I think it is a very rare thing that would happen. "That it why this was--that is why I am convinced that in the mind of the President, rightfully so, in the mind of others there, this was such a rare situation that also key people within the administration were not even notified. So it was not, in any way, a slight, a deliberate slight of Congress as opposed to the administration. "I think most of us are as much concerned or more concerned with leaks in the Executive Branch than we are with the Intelligence Committees or the leadership of the Congress. I assure you that it is my own view that notification of Congress is

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			not only important from the standpoint of complying with the provisions of the law, but also is the best way to have support for those kinds of initiatives, whatever they might be. "I might say this administration, of course, is not alone. The previous administration on, I think, three different instances used the same techniques of delaying timely notification. "Mr. COHEN. Not 14 months' delay. "Attorney General MEESE. I don't know what the delays were. I just know there were those instances." (Meese Testim., JHICI, 7/29/87, at 49-51.)
86/01/16-130 JANUARY 1986			THE IRAN INITIATIVE: ATTORNEY GENERAL'S INVOLVEMENT AND THE ISSUE OF CONGRESSIONAL NOTIFICATION MEESE ACCOUNT: "Chairman INOUYE. I believe, if my recollection is correct, that you indicated that this finding was such that it would be resolved in 30 to 60 days? "Attorney General MEESE. I testified, Mr. Chairman, and it is still my recollection, that at the time we were briefed on this on 7 January, 1986, it was my impression that this would be accomplished within a period of 30 to 60 days. It was an imminent type of thing. It was described in the conversations there, and I think there has been testimony to that effect, that this would be something that would go forward rather quickly. "Chairman INOUYE. That was your basic reason for acceding to the suggestion that the Congress

not be notified immediately?

"Attorney General MEESE. That was not the basic reason. The basic reason had to do with the jeopardy of the hostages and the jeopardy of the people that we had hoped to develop a relationship with in Iran, but it certainly was a part of the overall framework and assumptions that I was proceeding under at that time.

"Chairman INOUYE. That 30 to 60 days would have been sufficiently timely?

"Attorney General MEESE. The timeliness related to when the risk was no longer present. But 30 to 60 days was a part of my consideration, yes.

"Chairman INOUYE. When was the Congress notified?

"Attorney General MEESE. My recollection is that the project was still ongoing when this became public in November of 1986. And so it was at that time that notification came to Congress.

"Chairman INOUYE. Not through official channels?

"Attorney General MEESE. Not through official channels; that's correct.

"Chairman INOUYE. So the waiting period was beyond 60 days?

"Attorney General MEESE. Yes, sir.

"Chairman INOUYE. Did you or the administration have any intention to notify the Congress?

"Attorney General MEESE. Yes, sir. Everything that I had been told at the time of the briefing was a very definite intention to notify

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			the Congress and that, as a matter of fact, I think there were great pains taken to identify the point at which Congress should be notified and that was as soon as the hostages were received and were back safe in United States custody; and as I think I testified earlier, even before the plane on which they were arriving landed at the Air Force hospital in Weisbaden, Germany." (Meese Testim., JHICI, 7/29/87, at 119-22.)
86/01/16-131 JANUARY 1986			THE ISSUE OF CONGRESSIONAL NOTIFICATION MEESE ACCOUNT: "Mr. CHENEY. . . . General, I would like to follow up on the questioning touched upon by the Chairman of the Senate Select Committee with respect to this question of notifying Congress. "One of the things I note about this whole set of developments is that oftentimes, while I find I disagree with the decision that was made by the administration, when we dig into it, we find that there was at least understandable justification; like the President was concerned about the lives of the hostages or Mr. Buckley or some other aspect of it. "I would like to look at the question of notifying Congress on that basis. It is my recollection that you testified that you believed, based upon your review of the statutes and legislative history, that the President had the authority clearly to withhold notification from the Congress; is that correct? "Attorney General MEESE. That was my belief at that time, and it still is, that timely

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			notification indicated there could be a delay under certain circumstances. "Mr. CHENEY. There was some flexibility. Did you consider at all the possibility of notifying just the so-called 'Big Eight,' the Chairman and Ranking Member of the House and Senate Intelligence Committees, the Speaker and Republican Leader of the House and their counterparts in the Senate? "Attorney General MEESE. Mr. Cheney, I was not really consulted on the process of notification. It was rather on the legal aspects of a delay in notification. So really I was not present at any time when there was a discussion of who[m] to notify. It was a question of can notification be delayed." (Meese Testim., JHICI, 7/29/87, at 122-23.)
86/01/16-150 JANUARY 16, 1986			CABINET MEETING, 1/16/86: IRAN INITIATIVE NOT MENTIONED DoS CHRONOLOGY: "GPS attends a Cabinet meeting at the White House, from 2:00 p.m. to 3:00 p.m. but is not present at 5:00 p.m. to 7:00 p.m. discussion of the Iran initiative." (JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 86/01/17-015.)
86/01/16-155 JANUARY 16, 1986			CABINET MEETING, 1/16/86: IRAN INITIATIVE AND FINDING NOT MENTIONED SHULTZ ACCOUNT, Part 1: "Mr. BELNICK. On January 16, 1986, as your

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			chronology reflects, you attended a Cabinet meeting at the White House from 2 to 3 p.m. in the afternoon. Admiral Poindexter and others have testified that subsequent to that Cabinet meeting, there was a post-Cabinet discussion among various senior officials about the Iran initiative, including the finding which the President would sign the very next day. "You were not at that meeting? "Secretary SHULTZ. I have no recollection of being at such a meeting, and my records show that I arrived back in the department at 3:20, I believe. "Mr. BELNICK. Yes, sir. "Just to take this one more step, Admiral Poindexter testified that while you were not at the meeting, the post-Cabinet meeting at which the finding was discussed, that you had been invited to it by Admiral Poindexter, that he had told you what the subject matter would be, but that you had said to him, in words or substance, that you had another engagement, that in any event the President and he--Admiral Poindexter--were aware of your view and you were opposed to it, period, and that you didn't attend the meeting. "Secretary SHULTZ. Well, I don't remember that, but if I was recorded as being opposed to it, that was certainly accurate. "Mr. BELNICK. Do you recall Admiral Poindexter telling you at the time, however, that they were going to discuss that day a proposed presidential finding that would authorize the very policy that you had been arguing against for six

or seven months?

"Secretary SHULTZ. I don't recall him using that term.

"Mr. BELNICK. If Admiral Poindexter had said to you we are planning to discuss a finding, would you have considered that a watershed event, notwithstanding that you felt the President was in favor of the proposal as of January 7?

"Secretary SHULTZ. Yes.

"Mr. BELNICK. Why, sir?

"Secretary SHULTZ. In the sense that as it had been argued that without any new finding an arms sale from the United States to Iran would be a violation of the Arms Export Control Act, and without that we are still basically in the area of talking in general about an Iran initiative and the kind of effort that Mr. McFarlane made in his London mission or other similar kinds of efforts, and you wouldn't have arms connected with it directly.

"So a finding that specifically made it legal to do that would have been a change in the situation. It wouldn't necessarily mean that arms were going to be sold, but it would have clarified the legal point that was involved.

"Mr. BELNICK. . . . [D]id the finding itself have any other singificance in terms of the process that . . . it would have had to go through . . . before reaching the President's desk for signature?

"Secretary SHULTZ. The normal way in which a finding is produced is that the--there is the policy part of it and there is a legal part of it.

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			So in the case of the State Department, I rely on my legal adviser; and I happened to be blessed by having a very good one. So the legal adviser would look at it, and I would look at it, and presumably the same thing would be done in the Defense Department and the CIA and the Attorney General, of course, is the chief law officer of the United States. He would be involved. And then there would be a discussion of that and the President would then, in the light of the advice, both on the policy side and the legal side, make a decision on signing the finding or not. That's the general process that you presumably go through. "I don't think it's required by law that you do that, but certainly as a statutory member of the National Security Council, I would expect that we would go through a process of that sort. And I think it's very desirable to do it that way. "Mr. BELNICK. And it's been your experience that that was the process that was followed with other findings? "Secretary SHULTZ. Yes. That's generally the way it goes." (Shultz Testim., JHICI, 7/23/87, at 84-87.)
86/01/16-156 JANUARY 16, 1986			CABINET MEETING, 1/16/86: IRAN INITIATIVE AND FINDING NOT MENTIONED SHULTZ ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. BELNICK. That process, though, was not followed so far as you know or the State Department was concerned with respect to the

finding that you discovered had been signed in January 1986 that you learned about in November?

"Secretary SHULTZ. I am sure it didn't go through that process.

"Mr. BELNICK. That would be true with respect to what we now know were two other findings as well on the same matter, insofar as you know?

"Secretary SHULTZ. The other two that you have mentioned didn't go through that process either. And I didn't know anything about either of those other two.

"I want to be--the subject of legality was discussed periodically in all of these discussions. The precision of a finding is something different from that.

"Mr. BELNICK. It would have mooted the discussion? That is, on January 17, for example, the day after the 16th meeting, as you testified earlier, you were at a family group luncheon in which the subject of the legality of this initiative came up again?

"Secretary SHULTZ. Yes. So there's no point in discussing it or I wouldn't have argued about it or reported back to my assistant when I debriefed on that meeting that I had said that I--I don't mean that I'm trying to act like a lawyer here, but that it was my sense that there were still legal problems and that it was unwise. That was the net of the meeting as far as I was concerned.

"Mr. BELNICK. Nobody told the Secretary of State that those legal problems in the view of at least some in the Administration had been solved

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			because the President had signed the finding the very same day? "Secretary SHULTZ. Not to my recollection." (Shultz Testim., JHICI, 7/23/87, at 87-89.)
86/01/16-190 JANUARY 16, 1986			WHITE HOUSE MEETING, 1/16/86: WHO ATTENDED NSC LIST: An unsigned, unlabeled NSC Meeting Chronology lists: "Thursday, January 16, 1986 (5:00 - 7:30PM) "Meeting in JMP's office with Weinberger, Meese, Casey and Sporkin (CIA General Counsel)" (NSC Meeting Chronology [Committee Document N 7718]. On the NSC Chronology entries, see 85/12/07-090. NSC Chronology entries continue at 86/01/17-110.)
86/01/16-200 JANUARY 16, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING SPORKIN ACCOUNT: Stanley Sporkin, the CIA General Counsel, arrives at the White House at Casey's request to join a meeting already in progress. Weinberger, Poindexter, Meese and Casey are already there. Sporkin testified he thought Shultz had been invited but did not attend. The topic of the discussion is the legal authority for the Iran Initiative, and the reporting requirements to Congress under the various alternative methods of accomplishing the initiative. The danger to the hostages of public exposure of the initiative is also discussed. The next day, Casey calls Sporkin and tells him the DoD people "have signed off on the

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			project"; the CIA will effect the initiative under the Economy Act. (Sporkin Testim., JHICI, 6/24/87, at 88-90.)
86/01/16-205 JANUARY 16, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING WEINBERGER ACCOUNT: "Mr. EGGLESTON. Mr. Secretary, there has been some testimony about a meeting which took place late in the afternoon of January 16, and there's some testimony that you, among others, were present: Mr. Sporkin, who was the general counsel to the CIA, and others. And there was a discussion about a finding. Do you recall being at that meeting? "Secretary WEINBERGER. You know, I really don't. I have been asked about this before in depositions, and I have no memory of having been present at that meeting. "I understand there are some people who I think [sic (think I?)] was present, but I don't remember it. I don't know that I know Mr. Sporkin, and I don't have any memory of having been there." (Weinberger Testim., JHICI, 7/31/87, at 115-16.)
86/01/16-290 JANUARY 16, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING POINDEXTER DEPOSITION ACCOUNT, Part 1: "A. On the 16th of January, I invited the Secretary of State, the Secretary of Defense, the DCI, and the Attorney General to a meeting in my office to discuss the finding, and it was -- the timing of it was somewhat impromptu. They had all been, I think except maybe one of them, in the

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			White House for another function. I asked them to drop by my office afterwards. They did. "I must say that I am not certain about Secretary Shultz, but before Director Casey was hospitalized -- before I left the White House, he and I both recalled vaguely that Secretary Shultz was there at the beginning of the meeting. "Secretary Shultz had another engagement. This was in the late afternoon or early evening; but anyway, Secretary Shultz knew at the time at least what we were going to discuss and when he found out what it was, he said, 'Look, you know my position on this. I've got to go to this other meeting,' or function. So he was only there a few minutes. "Later he has claimed that he was unaware there was a finding, but I always viewed that he knew there was a finding. I don't believe he ever saw it, but he knew that there was a finding, and frankly he had an opportunity to participate in the drafting of it. But Secretary Weinberger and Director Casey and the Attorney General and I sat down. Stanley Sporkin was also there. I can't remember whether Colonel North was there; he probably came in at some time. I know -- I don't know if he was there at the beginning. "Thompson was coming in and out of the room during our discussions. I think we asked him a question about the Arms Export Control Act and he went to get references. "At that meeting on the 16th was the first I learned that what the Attorney General thought we ought to do was go direct from the U.S. to Israel

rather than --

"Q. U.S. to Iran?

"A. Excuse me. U.S. to Iran, rather than Israel to Iran, and then the U.S. to Israel. As I recall, his rationale was that if -- he reiterated again that he was in agreement with the William French Smith determination earlier, but that if we were going to do this under the National Security Act, then the CIA would be purchasing the material from the Defense Department under the Economy Act and under those conditions there would be no reporting requirements required to the Congress, whereas if the Israelis had taken weapons from their stock and sold them to Iran, those weapons that they were selling them would have been transferred to Israel under the Arms Export Control Act and, therefore, technically there would be a reporting requirement for the third-country transfer of those arms. And the way to make it clean -- and, of course, I wasn't so much worried about those details, but I saw this was a way that we could have more direct control of the operation, because, frankly, we were uneasy with what Schwimmer and Nimrod [sic] had been doing, and I just felt that we had more control over the whole thing and make sure we didn't go through another screw-up in November.

"A lot of this recollection now I have thought about the issue for a long time, over the past few weeks, months. [Sic.] And so I readily agreed to it. Secretary Weinberger and Director Casey agreed to it, and the change here is really not related to that issue.

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			"I think the way -- it turned out that the Attorney General had seen this finding, the one that was signed on the 6th January earlier. I don't think at the time I realized that; but as I understand it, the way this was originally written on the 6th, it would have allowed us to go direct." (Poindexter, Senate Dep., 5/2/87, at 150-52.)
86/01/16-291 JANUARY 16, 1986		SECORD'S CONTRA ROLE: POINDEXTER'S CONTACT WITH SECORD POINDEXTER DEPOSITION ACCOUNT: "Q. Did you ever meet with him [sc. Secord] to talk about the contras? "A. It's conceivable that I did. It wouldn't have been to any level of detail. It would have been to thank him for his efforts rather than going into any details. "It seems to me he came in on a Saturday morning at some point, but I can't recall whether that was related to Central America or to the Iranian project. "Q. Do you remember when it was? "A. I'm sorry. I just can't. "Q. I apologize. I do not have your schedule here. I could have brought it. I wanted to move more into other things. "A. I met with him a few times. It was mainly what I would categorize as hand holding. In other words, in my view, General Secord was making a significant sacrifice. "Q. What was that based on? "A. That was based on the fact -- well, for	THE IRAN INITIATIVE: WHITE HOUSE MEETING, AND SECORD'S ROLE POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. But was a decision made that you would go direct or through an agent? "A. Well -- oh, direct or through an agent? "Q. Yes. As opposed to Israel. "A. There was a discussion in the 16 January meeting as to how Director Casey would implement this finding once it was finally cleared off on. "Q. What was -- "A. It was my understanding at the time that he was going to use a private agent. "Q. Was it your understanding he was going to use Secord? "A. No. I do not recall on the 16th that Secord's name specifically came up. "Q. Let me see if there are things that may refresh you. "First, did you meet General Secord in January prior to the January 17 finding to discuss Iran? "A. I'm not certain. I may have. I really don't know. I met with General Secord I guess my

instance, I can recall a discussion [redacted.] 'You know, Dick is losing a lot of money in that he's not having time to attend to his other business.' [Redacted.]

"Colonel North was always telling me that he thought Dick was losing money.

"Q. There came a point --

"A. So --

"Q. I am sorry.

"A. I was going to add, so one of the objectives in meeting with Dick the few times I did was to thank him and indicate to him that we appreciated his efforts."
(Poindexter, Senate Dep., 5/2/87, at 154-55.)

See col. 3.

whole time in the White House maybe three or four times.

"Q. What do you recall talking to him about?

"A. One, it seems to me it was either just before or just after the trip to Tehran.

"Q. Okay. When else do you recall meeting with him?

"A. I am just trying to remember.

"Q. Did you ever meet with him to talk about the contras?

"A. It's conceivable that I did. It wouldn't have been to any level of detail. It would have been to thank him for his efforts rather than going into any details.

"It seems to me he came in on a Saturday morning at some point, but I can't recall whether that was related to Central America or to the Iranian project.

"Q. Do you remember when it was?

"A. I'm sorry. I just can't.

"Q. I apologize. I do not have your schedule here. I could have brought it. I wanted to move more into other things.

"A. I met with him a few times. It was mainly what I would categorize as hand holding. In other words, in my view, General Secord was making a significant sacrifice.

"Q. What was that based on?

"A. That was based on the fact -- well, for instance, I can recall a discussion [redacted.] 'You know, Dick is losing a lot of money in that he's not having time to attend to his other business.' [Redacted.]

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			"Colonel North was always telling me that he thought Dick was losing money. "Q. There came a point -- "A. So -- "Q. I am sorry. "A. I was going to add, so one of the objectives in meeting with Dick the few times I did was to thank him and indicate to him that we appreciated his efforts. "Q. Did there come a point when you learned that the Secord company was going to be used as a vehicle in the Iranian arms transaction? "A. Yes. At some point that became obvious to me; but frankly, I left it up to -- you know, I'm not trying to back off from anything here, but I really always did view the implementation of the finding as Bill Casey's responsibility, and I wanted it to be -- I wanted the project run the way he wanted to run it. If we wanted to continue to use Ollie North on my staff as a significant player, that was fine; and Bill chose to run it that way. I agreed with him. "Q. Did you -- "A. I left the decision about who should be the agent up to Bill." (Poindexter, Senate Dep., 5/2/87, at 152-55.)
86/01/16-292 FROM JANUARY 1986		IRAN ARMS TRANSACTIONS: PROFIT TO BE USED BY SECORD FOR THE CONTRAS POINDEXTER DEPOSITION ACCOUNT: "Q. Who[m] did you think was going to be getting that profit? "A. That profit would go into one of the	SECORD'S ROLE, AND PROFITS OF THE ARMS TRANSACTIONS POINDEXTER DEPOSITION ACCOUNT, Part 1: [Continuing from preceding entry:] "Q. Did there come a point when you realized that there was a differential between the price at

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		accounts that General Secord had that he would then use to purchase arms to support the democratic resistance. "Q. Who told you that? "A. Colonel North. "Q. So that you believed that whatever the profit was on all of these transactions would go to the contras? "A. Well, yes. There were -- there would be administrative costs in terms of chartering aircraft. "Q. But that's expenses. "A. Yes. "Q. But the profit itself -- "A. I was -- in fact, the issue[ ]never came up. I certainly never assumed that anybody would make a personal profit out of the -- "Q. When you say you never assumed, did someone tell you that Secord isn't going to make a profit out of it? "A. I don't recall a conversation in which that was specifically said, but the reason that I said what I did earlier was that my frame of mind, I mean the atmosphere at the time, was that Dick was losing money, not making money. "Q. Who told you he was losing money? "A. Colonel North." (Poindexter, Senate Dep., 5/2/87, at 155-58.) See col. 3.	which the CIA was paying for these missiles and the price that the Iranians were paying? "A. Yes. As I said earlier, when Colonal North came into me initially, which I think was in February, it was clear from that discussion at least in general terms that the way they would -- the way Colonel North had proposed that it be done, that these funds could become available, would be by overcharging the Iranians for the arms. "Q. Did you know what the amount of the profit was? "A. I didn't know that. I may have known in general magnitude, but -- "Q. Did you know, for example, that the Iranians were paying around $10,000 a TOW? "A. I remember hearing that figure. "Q. I could show you PROF notes that show it. "A. Yes. "Q. Were you told that the Defense Department was getting about $3500 a TOW? "A. Yes, I knew about that. "Q. So if I subtracted one from the other, I come up with 6500 and multiply it times 1000, it's $6.5 million; right? Is my arithmetic right? "A. Yes. "Q. Who[m] did you think was going to be getting that profit? "A. That profit would go into one of the accounts that General Secord had that he would then use to purchase arms to support the democratic resistance. "Q. Who told you that?

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			"A. Colonel North. "Q. So that you believed that whatever the profit was on all of these transactions would go to the contras? "A. Well, yes. There were -- there would be administrative costs in terms of chartering aircraft. "Q. But that's expenses. "A. Yes. "Q. But the profit itself -- "A. I was -- in fact, the issue[ ]never came up. I certainly never assumed that anybody would make a personal profit out of the -- "Q. When you say you never assumed, did someone tell you that Secord isn't going to make a profit out of it? "A. I don't recall a conversation in which that was specifically said, but the reason that I said what I did earlier was that my frame of mind, I mean the atmosphere at the time, was that Dick was losing money, not making money. "Q. Who told you he was losing money? "A. Colonel North." (Poindexter, Senate Dep., 5/2/87, at 155-58.)
86/01/16-293 FROM JANUARY 1986		IRAN ARMS TRANSACTIONS: PROFIT TO BE USED BY SECORD FOR THE CONTRAS POINDEXTER DEPOSITION ACCOUNT: "A. The point I was trying to make, maybe I didn't make myself clear, it was clear to me that if all this worked as planned, there would be several million dollars go[ing] to the support of the democratic resistance.	SECORD'S ROLE, AND PROFITS OF THE ARMS TRANSACTIONS POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. So what you had was . . . some information about what the prices were that indicated that there should be a substantial profit or a high profit?

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		"Q. My question is, what would happen to the difference? "A. I didn't know there would be a difference. "Q. You thought whatever profit there was was going to the contras? "A. That's right. "Q. The reason you thought that was because that's what North was telling you? "A. Yes. And I don't have any reason to doubt that. I hope that's the way it happened. "Q. You would rather, even with all the criticism that has occurred, you would rather have the money go to the contras than into someone's pocket? "A. Absolutely. "Q. Why is that? "A. Beg your pardon? "Q. Why is that? "A. Well, that was the objective. At the time -- "Q. Your lawyer might prefer it to go the other way. "A. Nobody thought in terms of illegalities. We thought that -- I thought I was carrying out, you know, the President's objective. As I said earlier, we knew it would be controversial, but our mood was one of doing what we thought was in the best long-term interests of the United States." (Poindexter, Senate Dep., 5/2/87, at 158-60.) See col. 3.	"A. Yes. Several million dollars was the way I thought about it. "Q. Well, how did you get from a differential . . . between $3500 a TOW cost and $10,000 selling price to just several million dollars? "A. Because there were -- you are going back to Nir's proposal. We were talking in terms of several thousand TOWs. "Q. If there were several thousand TOWs, then for each TOW, you have a $6500 gross profit? "A. Right. "Q. And for 1000 TOWs, you have $6.5 million gross profit? "A. Right. "Q. I don't know what figure you were using in your mind for expenses, but it couldn't be -- "A. No. I said -- "Q. -- that much. "A. The point I was trying to make, maybe I didn't make myself clear, it was clear to me that if all this worked as planned, there would be several million dollars go[ing] to the support of the democratic resistance. "Q. My question is, what would happen to the difference? "A. I didn't know there would be a difference. "Q. You thought whatever profit there was was going to the contras? "A. That's right. "Q. The reason you thought that was because that's what North was telling you? "A. Yes. And I don't have any reason to

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86/01/16-300 JANUARY 16, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING AND THE ISSUE OF CONGRESSIONAL NOTIFICATION POINDEXTER ACCOUNT, Part 1: "Mr. LIMAN. Now, the transaction that was described in the memorandum accompanying the [1/6/86] finding [Ex. JMP 24] that the President signed was one where the Israelis would sell and we would replenish. Do you recall that on January 17, 1986, the President signed a new finding? "Mr. POINDEXTER. He signed the final version of the finding.

"Mr. LIMAN. Right.

"Mr. POINDEXTER. In my view, there is really only one finding.

"Mr. LIMAN. The January 6 finding became the January 17 finding?

"Mr. POINDEXTER. That is correct. The January 6 was the first version of this broader finding.

". . . .

"Mr. LIMAN. Okay. If you can look at [Ex. JMP 28, the cover] memorandum [for the 1/17/86 Finding] . . . , is it fair to say that by January 17 the mechanics of the transaction had changed in that now it was going to be a sale by the Department of Defense to the CIA, which through an agent would sell the arms to Iran, and Iran would release the hostages, and Israel was not going to be selling and replenishing?

"Mr. POINDEXTER. The mechanics of getting over that first obstacle did change.

"Mr. LIMAN. And would you just tell us why that change occurred.

"Mr. POINDEXTER. Yes. In, I believe it was the 16th of January, the day previous, prior to the President signing this finding, I had called a meeting in my office to which I invited Secretary Shultz, Cap Weinberger, Bill Casey and Ed Meese to discuss the finding. Because our--well, Bill Casey's staff and mine had continued to work after the 7 January meeting in the Oval Office on the finding, and there were further discussions with Ed Meese on the finding, and before I took the final version to the President, I wanted to sit

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			down with the other principals to go over it once again. "As I recall, the timing of the meeting was impromptu, and although Secretary Shultz, by my recollection, and I did talk to Bill Casey in November of '86, and his recollection was the same as mine, that Secretary Shultz was there initially but had to leave because of a conflicting engagement. And, as I recall, he said, 'Well, John, you know my view on this, I don't think we ought to go ahead with it', and he did not really participate in the discussions after that and, in fact, left for another meeting. "In the discussions that the four of us had--and there may have been some other staff there, I can't remember for sure--it became clear to me that Ed's view of how the mechanics of getting over the hostage obstacle should go were different than what I had in mind. One of the key reasons that Ed decided or determined that the President could legally carry out such a project that involved arms--and you had testimony about this before, it goes back to the William French Smith determination several years earlier on an arms issue. I understood that going into the 16 January meeting, but I didn't really understand up until that time that Ed felt that we should, rather than having the Israelis sell what was in their stock to the Iranians and then the U.S. replenish the Israeli stocks, he felt that we ought to go direct, that we ought to-- "Mr. LIMAN. Why? "Mr. POINDEXTER. I will get to that, Mr.

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			Liman. "He thought we ought to sell material out of U.S. stocks to Iran directly using the Israelis for logistics assistance. And the reason for that is that under the Arms Export Control Act, there was a congressional reporting requirement that we wanted to avoid. The President had decided, although he hadn't formally decided until he signed this on the 17th of January, but there had been discussions about whether to report this project to the Congress. I know that's a sensitive issue up here, and I think it deserves an answer on my part, but I would like to put that answer in perspective." (Poindexter Testim., JHICI, 7/15/87, at 76-80. See JHICI Exx. JMP 24 [cover memo for the 1/6/86 Finding, from Poindexter to the President], JMP 28 [cover memo for the 1/17/86 Finding, from Poindexter to the President], JMP 29-A to -D [1/3, 1/6, 1/17/86 Findings]. See Poindexter, Senate Dep., 7/2/87, at 71 [Poindexter on Meese's opinion at the 1/16/86 meeting; quoted at 86/11/18-020].)
86/01/16-301 JANUARY 16, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING AND THE ISSUE OF CONGRESSIONAL NOTIFICATION POINDEXTER ACCOUNT, Part 2: "Mr. POINDEXTER. We had a significant problem with leaks in this administration, as with all administrations, but I frankly think that over the past five years they have gotten much worse than in earlier periods of time when I have been in Washington, and I have been here on and off for 15 or 16 years.

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			"Now, I don't mean to imply by this that we felt, or I feel today, that all the leaks come from the Congress. That is pure nonsense. I think there are leaks that come from the Congress. There are leaks that come from the State Department. There are leaks that come from the Defense Department. There are leaks that come from the NSC staff, and there are leaks that come from the White House staff. It has become an art form in this city to help influence policy. "So it wasn't simply a matter that we wanted just to postpone informing the Congress of this finding. We didn't want many people in the Executive Branch to know about it. "Our feeling was, the President's feeling was that the way that you carry out a secret covert activity is that you limit the knowledge to the absolute minimum number of people. And there were discussions about that. "I frankly don't recall anybody recommending that we do inform Congress. So some spoke against, some spoke in favor of postponing the notification as long as possible, and the President clearly agreed with that. "Mr. LIMAN. . . . The matter of structuring the transaction as a sale by the United States to Iran through the CIA and in turn through a CIA agent--in this case, the Secord operation--was the result of the advice that the Attorney General gave that that was the only way that you could avoid congressional notification; is that fair? "[Counsel conferring with witness.] "Mr. POINDEXTER. I don't think that is quite

a fair description.

"Mr. LIMAN. Then correct it.

"Mr. POINDEXTER. I would say that he felt that it was a more straightforward way of doing it. He felt that--you ought to, as I think you are planning to hear from him on this, but my understanding of his position was that although we could continue to do it the way that had been done earlier, that it was easier to support and clearer if we did it direct. And at that point, we didn't see any particular reason not to, since we were going to keep it a covert activity."
(Poindexter Testim., JHICI, 7/15/87, at 81-83.)

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THE IRAN INITIATIVE: WHITE HOUSE MEETING AND THE ISSUE OF CONGRESSIONAL NOTIFICATION
POINDEXTER ACCOUNT, Part 3:

"Mr. LIMAN. If you look at Exhibit [JMP] 28, which is your memorandum to the President of the United States, the last five sentences on the first page, I will start reading them and I will ask you if you wrote this and whether this represented the reasons.

"'We have researched the legal problems of Israelis selling U.S.-manufactured arms to Iran.' And when you said 'we have researched,' you are talking, among others, the Attorney General of the United States, am I correct?

"Mr. POINDEXTER. Yes.

"Mr. LIMAN. 'Because of the requirement in United States law for recipients of United States arms to notify the United States Government of transfers to third countries, I do not recommend

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			that you agree with the specific details of the Israeli plan. "'However, there is another possibility. Some[ ]time ago, Attorney General William French Smith determined that under an appropriate finding, you could authorize the CIA to sell arms to countries outside of the provisions of the law and reporting requirements for foreign military sales. The objectives of the Israeli plan could be met if the CIA, using an authorized agent as necessary, purchased arms from the Department of Defense under the Economy Act and then transferred them to Iran directly after receiving appropriate payment from Iran.' "Did that accurately state the reason for changing the transaction? "Mr. POINDEXTER. Yes, I think so. But I would just add that that was not to say that doing it the other way was necessarily illegal. This was just a better way of doing it. "Mr. LIMAN. And is it fair to say that the objective of trying to find a way was to defer notification to the Congress for the reasons that you stated? "Mr. POINDEXTER. Yes, that is correct. "Mr. LIMAN. Is it also true that during your tenure as National Security Adviser you . . . or the CIA presented to the Congress a number of findings involving covert activities that were of a sensitive nature? "Mr. POINDEXTER. Yes. The Director or one of his people did. ". . . .

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			"Mr. LIMAN. Without going into any of the details of those other covert operations, were any of the other matters, covert matters on which you or the CIA briefed the Intelligence Committees[,] ones in which the Secretary of Defense and Secretary of State were united in their opposition to the operation? "Mr. POINDEXTER. Just give me a moment to think about that question, sir. "Mr. LIMAN. Sure. "[Counsel conferring with witness.] "Mr. POINDEXTER. I can't recall, although I certainly can't be sure because of all of the activity over the five and a half years whether there was any other finding that fell in the category that you have defined or not. "There clearly, by my recollection anyway, were findings that the President signed that were briefed to the appropriate congressional authorities at the time with which either the Secretary of State or the Secretary of Defense might not have agreed. I don't recall one on which they both disagreed. So from that standpoint, this was a special finding. "I missed one point that I did want to cover a moment ago in one of my answers, and that is that it was also our view, supported by the Attorney General in his capacity as Attorney General, not just as special adviser to the President, which, by the way, he had in many of his connections with me. He really--the Attorney General had two hats. But I will get into that more later. "But the Attorney General, and it was agreed

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			by the laymen amongst us that the President clearly had the authority under the Constitution and under the statute to postpone notification of a finding. "Mr. LIMAN. That is not the issue that I was trying to elicit." (Poindexter Testim., JHICI, 7/15/87, at 83-86; JHICI Ex. 28 [cover memo from Poindexter to the President for the 1/17/86 Finding].)
86/01/16-303 JANUARY 16, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING AND THE ISSUE OF CONGRESSIONAL NOTIFICATION POINDEXTER ACCOUNT, Part 4: [Liman's question continues from his comment at end of last entry:] "Mr. LIMAN. . . . Your findings or your memos make it clear that you cite both the statute and the President's constitutional prerogatives. You did receive PROF notes, which you are familiar with from looking at them recently, from Colonel North saying that the Secretary of Defense was trying to throw every roadblock possible against this transaction. You recall those, right? "Mr. POINDEXTER. That was Colonel North's characterization. "Mr. LIMAN. That was his characterization. "The point that I am really addressing to you is whether one of the reasons for deciding not to brief the Intelligence Committees was that it would have given the Secretary of State and the Secretary of Defense an opportunity to voice their opposition and perhaps to lead to the blocking of this plan?

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			"Mr. POINDEXTER. I don't think that was any part of our reasoning. That implies a great disloyalty on the part of the Secretary of Defense and the Secretary of State, and I think that is not accurate. I think they are both very loyal to the President, and once he makes a decision, whether they recommend it or not, I think they both faithfully go about trying to carry it out to the best of their ability. "Mr. LIMAN. Colonel North apparently testified that Secretary Shultz' and Secretary Weinberger's opposition was not vigorously expressed in this January period. I take it that it was vigorously expressed at the January 7 meeting, and it was expressed by the Secretary of State at that January 16 meeting, and that no one had any doubt about where both of them stood? "Mr. POINDEXTER. That is true of the earlier meetings. "On the 16th of January, I think it was pretty clear to George that the President wanted to go ahead with this at that point, and so although he voiced objection, I would say--and this is probably why Colonel North's recollection is as it was--in fact, I think probably the 16 January meeting may have been the only meeting that Colonel North was in attendance, where he may have heard the other Cabinet Officers give their views. "But it is accurate that both George Shultz and Cap Weinberger vigorously made the case as to why we should not do this." (Poindexter Testim., JHICI, 7/15/87, at 86-88. See JHICI Ex. 8 [North PROF on "roadblocks"

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			created by Weinberger].)
86/01/16-310 JANUARY 16, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING POINDEXTER ACCOUNT: "Mr. NIELDS. And I take it from your testimony yesterday, as I understand it, on the 16th of January in a meeting with the Attorney General, he recommended that the sales be done direct from the United States to Iran rather than permitting Israel to sell its old U.S. weapons and have us replenish. "Mr. POINDEXTER. Ed recommended to us that that was the best way that he saw to do it. He did not say that he felt the other way was illegal. But he was more comfortable in doing it the way he recommended. "Mr. NIELDS. And I take it the problem, whether it was illegal or just possibly illegal, the problem with the way it had been done was that the arms Israel was transferring had originally been purchased under the Arms Export Control Act. "Mr. POINDEXTER. Yes. His argument was that if the Israelis shipped weapons f[ro]m their stocks that because these weapons had been sold to Israel under the Arms Export Control Act, then people could argue that if they then transferred those arms to a third country there was a congressional reporting requirement and I am not familiar enough with the law to go into the details of that, but I had understood that there was some reporting requirement. "It wasn't clear from the discussions whether it was possible to waive those or not. We

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			really--because he came up with the other method, which Bill Casey and I and eventually the President agreed with, we really didn't pursue that any further. "Mr. NIELDS. The committee has heard testimony on this very subject, as you are probably aware, from people from DOD and CIA. "Mr. POINDEXTER. I am aware of the inference, but I am not quite sure what they said. "Mr. NIELDS. In any event, I take it that going direct, so to speak, under the Econom[y] Act with sales from DOD to CIA and then direct to Iran resolved that problem for the future, for the future transactions? "Mr. POINDEXTER. Yes. That was my understanding. "Mr. NIELDS. And that was the footing on which it was put in the finding that was signed January 17th? "Mr. POINDEXTER. That's correct." (Poindexter Testim., JHICI, 7/16/87, at 110-11.)
86/01/16-330 EARLY TO MID-JANUARY 1986			THE IRAN INITIATIVE: THE ISSUE OF CONGRESSIONAL NOTIFICATION MEESE ACCOUNT, Part 1: "Mr. NIELDS. Did anyone tell you during any of these [January] meetings [on the Iran Initiative] that the President had one month earlier signed a finding in connection with this initiative which called for postponed notification to Congress? "Attorney General MEESE. No, sir, I cannot recall any mention of that at all.

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			"Mr. NIELDS. And that includes General Counsel Sporkin at your meeting on the 16th? "Attorney General MEESE. That is correct. "Mr. NIELDS. Made no reference whatever to the prior finding? "Attorney General MEESE. I don't recall any reference whatsoever to a prior finding that had been signed by the President. "Mr. NIELDS. I think you have already given the practical basis for your judgment that postponed notification was warranted. What was the legal basis for your judgment that it was permissible? "Attorney General MEESE. The legal basis of my judgment was that Section 501(b) of the National Security Act of 1947 provides that the President, if there has not been prior notification under Section 501(a), shall make timely notification to the Congress. "Mr. NIELDS. Were you aware at the time, either your initial conversation over the subject or after you had checked the statute, of views expressed in the legislative history by members of Congress and most significantly the Chairman of the Senate Committee who is presiding today, Chairman Inouye, that the only circumstance in which prior notification could be foregone would be where the Executive did not have time to notify Congress in advance? "Attorney General MEESE. I am not sure that I was aware at that time. Since that time I have looked into the legislative history, and I have seen references to a variety of views that were

expressed when the amendments were passed in 1980, views which members of the Senate which also indicated that were [sic] some severe limitations on what Congress could impose upon a President regarding limitations, regarding notification because of his constitutional responsibilities.

"There was a colloquy between Senator Javits and Senator Huddleston particularly in this regard and that there was also legislative history that the word 'timely' was inserted and also words such as 'consistent with the President's constitutional responsibilities and duties', and so on, so as not to create a confrontation over this particular act.

"There was also testimony, I believe, before the Senate in that regard by Admiral Stansfield Turner, who was at that time the Director of Central Intelligence, as to the lack of desirability or indeed the danger of Congress requiring under certain circumstances notification immediately by the President.

"There was also, I believe, a considerable discussion of this at the time of the signing of the act by--that included this particular provision by President Carter, acknowledging the prerogatives of the President and reserving, in effect, the ability of the President to delay notification of the Congress.

"Indeed, I think there has been written material by Admiral Turner since that time noting that, in fact, there were such delays by President Carter during his Administration.

"Mr. NIELDS. Did you review any of this

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			material at the time, prior to giving your opinion? "Attorney General MEESE. No, at the time I reviewed the statute and I believe the annotations." (Meese Testim., JHICI, 7/28/87, at 26-29.)
86/01/16-331 EARLY TO MID-JANUARY 1986			THE IRAN INITIATIVE: THE ISSUE OF CONGRESSIONAL NOTIFICATION MEESE ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. NIELDS. Did you consult with anyone else in the Department of Justice on the question [of delayed notification of Congress]? "Attorney General MEESE. No, I didn't. I would have ordinarily, but this was such a closely held matter that it was my understanding that no one was to know outside of that very small group of people that was involved in advising the President on the 7th and those people in the operating departments who were necessary to implement the initiative. "Mr. NIELDS. I take it then that there was no opinion done in writing on this question? "Attorney General MEESE. That is correct. Not at that time. There have been opinions since that time. "Mr. NIELDS. And I take it that would include any opinion that made no reference to the specific facts of this initiative, but addressed the question of what the timely notice requirement meant in the statute at the time-- "Attorney General MEESE. There were none at

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			that time. As I say, there has been since. "Mr. NIELDS. You have testified, I think, to the length of the delay which you anticipated at the time you gave your opinion on the propriety of delaying. Can you tell us again just what your understanding was of the length of the delay? "Attorney General MEESE. My understanding was that this would be a near-term type of activity, that things were going to go forward virtually immediately and that it would be accomplished in 30 to 60 days. I am not sure that anyone actually put that time frame on it in the discussion but it was certainly implicit in what was said at that time. "There was discussion about the weapons transfers taking palce, the hostages coming out immediately, and it was in that kind of a time frame that it was discussed in general terms." (Meese Testim., JHICI, 7/28/87, at 29-30. See generally id., 7/29/87, at 155-62 [Meese's view of the Attorney General's involvement, in general, in the Finding process].)
86/01/16-650 JANUARY 16, 1986			LEDEEN'S ROLE NORTH ACCOUNT: North PROF to Poindexter, "Subject: Mike Ledeen": " . . . You should be aware, however, that it is my opinion, based on my meeting w/Gorba on Monday night, that Gorba tells Ledeen every thing. [Redacted] suspects that there is probably a secret business arrangement among Schwimmer, Ledeen and Gorba that is being conducted w/o the

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			knowledge of any of the three respective governments and that this will result in at least some cross-fertilization of information. This may not be altogether bad if we can keep in touch w/ Ledeen enough to get a feel for what is really going on. I have no problem w/ someone making an honest profit on honest business. I do have a problem if it means the compromise of sensitive political or operational details. We might consider making Mike a contract employee of the CIA and requiring him to take a periodic polygraph. Yes? No?" (JHICI Ex. JMP 27. See 86/01/24-650 [North PROF to Poindexter, 1/24/86, on a possible "financial arrangement among Schwimmer, Nimrod, Gorba and our friend"]. But see Ledeen, Senate Dep., 6/22/87, at 270-71; also 86/01/16-653 [Ledeen's denial that he profited].)
86/01/16-653 1985-86		DIVERSION: LEDEEN'S KNOWLEDGE LEDEEN ACCOUNT: See col. 3.	THE IRAN INITIATIVE: WHETHER LEDEEN PROFITED LEDEEN ACCOUNT: "Q. There has been a report that there was a suggestion about diversion that came from Nir or at least came from the Israelis that some of the profit should be diverted either [redacted] or to the Nicaraguan contras or something. "Do you have any knowledge of that? "A. No. There was another suggestion of diversion from Nir -- allegedly from Nir, that North reported in his PROFs notes suggesting I had taken money from the profits of that. "Q. I was going to get to that near the end so as not to raise the temperature. Since you

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			have raised it -- "A. It is false. It never happened. It was never suggested by anyone. No one ever offered me a commission. "In fact, very early on when this thing started, I sat down with Kimche and Schwimmer and Nimrodi and said, Listen, gentlemen, in this sort of affair people like us are always accused of taking money. I want a hard and fast understanding that nobody is to take money out of this. We all agreed to that. "I said I didn't want to see an account, touch a check, a bill, nothing, nothing, nothing. That was the agreement. That's the way it was. "In addition, the Israeli Government has now issued a statement to the wire services here, it is now out on the wires, in which Nir denies ever having said anything to North. "Q. Is this recent? "A. Yesterday. "Q. Let me just follow up. Since you have raised it, let me follow up on questions about whether or not you received any money. "There is a reference to a Mike receiving $50 per TOW. Is there another Mike who is involved in this, to your knowledge? "A. No. "Q. Are you in any kind of financial arrangement with Mr. Ghorbanifar? Do you have businesses together or share partnerships or any fashion like that? "A. No." (Ledeen, House Dep., 3/11/87, at 123-25. See id.,

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			at 172-73; Ledeen, Senate Dep., 6/22/87, at 270-73, 277-81, 286-87; id., 9/10/87, at 23-25 [whether Ledeen profited]. See also id., 6/22/87, at 272-73 [Ledeen on suspicions that he profited as reflected in PROF notes: "I was never asked about it. . . . The whole thing remained at the level of electronic gossip . . . ."]. See also id., 6/22/87, at 277.)
86/01/16-655 1985-86			POINDEXTER'S VIEW OF LEDEEN POINDEXTER ACCOUNT: "Mr. BROOMFIELD. Admiral, it seems that the committee will not hear from one of the key players in the Iran initiative. That is Mr. Ledeen. Therefore, I would like to ask you a question since . . . you were one of his superiors. "Mr. Ledee[n] was on the NSC staff, as I understand it, as a consultant whose responsibility included the preparation of the intelligence analysis and other intelligence material in support of the Iran arms sales. "Did you ever question the validity of the intelligence analysis you received from Mr. Ledeen? "Mr. POINDEXTER. Mr. Broomfield, I don't recall personally receiving anything that would have been entirely his work product. Mr. McFarlane thought very highly of Mr. Ledeen. He has a lot of very interesting contacts overseas, and he contributed his portion; but I certainly didn't rely just on his assessment or his opinion in the situation."

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			(Poindexter Testim., JHICI, 7/20/87, at 116.)
86/01/16-660 1985-86			LEDEEN'S ROLE AND CHARGES THAT HE PROFITED POINDEXTER ACCOUNT: "Mr. COURTER. . . . [T]here was an individual that is not an arms merchant, not a retired general, not an official of the United States Government, but nevertheless, because of his great expertise in that part of the world, and because of the fact that he was very familiar with Iran--as a matter of fact wrote one of his fine books on the fall of the Shah--a person who is an acknowledged expert in counterterrorism, he was contracted for advice with regard to the rapprochment initiative with Iran. I think that gentleman is Michael Ledeen. Are you familiar with Mr. Ledeen? "Mr. POINDEXTER. Yes. I know Mike. "Mr. COURTER. Was he contracted by the government for his knowledge and expertise in Iran and in the Persian Gulf? "Mr. POINDEXTER. Yes; Mr. McFarlane approved him as a consultant to the NSC and there was a consultancy arrangement. "Mr. COURTER. He also, it's my understanding, earlier in these hearings--you may not recall the testimony--was charged or criticized for being a profiteer. Do you know from your own personal knowledge whether he received any profits from weapons sales or not? "Mr. POINDEXTER. I don't have any information that would allow me to come to that positive conclusion.

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			"Mr. COURTER. Do you think that Michael Ledeen, with respect to the very important issue which is one of the fundamental reasons why we sit as a joint panel, to learn about Iran or learn about the strategic initiative in Iran, do you think that Michael Ledeen would be able to give us valuable information and insight with regard to the strategic importance of that part of the world and also with regard to the rapproachment and the type of tactics that are necessary in order to accomplish same? "Mr. POINDEXTER. I think Mike is a very knowledgeable source for that kind of information. He's very articulate. I think if you want that kind of information, he'd be a good witness. "The reason I didn't want him to speak out earlier, and people may contrast that with what I just said, was that I simply didn't have time to sit down with Mike to go over with--exactly what he was going to say. He hadn't been with the project for some months, and I didn't want him going off on his own." (Poindexter Testim., JHICI, 7/21/87, at 167-69. See 86/01/16-653 [Ledeen's denial that he profited].)
86/01/17-015 JANUARY 17, 1986			FAMILY GROUP LUNCH: IRAN DISCUSSION DoS CHRONOLOGY: "GPS attends 'Family Group Lunch' at the White House at which Iran initiative is discussed. GPS argues that the policy is both 'unwise and illegal.'" (JHICI Ex. GPS-B. On the DoS Chronology, see

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			above at 84/04/16-100. DoS Chronology [Iran] continues at 86/02/28-280.)
86/01/17-020 JANUARY 17, 1986			FAMILY GROUP LUNCH: IRAN DISCUSSION SHULTZ ACCOUNT: "Mr. BELNICK. Then ten days later, on January 17, 1986, according to the chronology, you attended a family group luncheon with Admiral Poindexter and others, at which there was a discussion of the legality and wisdom of the proposed Iran initiative. "I understand you argued at that luncheon that the initiative, in your view, would be both unwise and unlawful? "Secretary SHULTZ. That is correct. I came back to my office and I told my assistant that we had had another discussion of this and I had once again said that I thought it was illegal and unwise. "Mr. BELNICK. Am I correct, sir, that at this January 17 luncheon the admiral did not inform you that on that same day, January 17, the President had signed the third of the findings authorizing U.S. arms shipments to Iran? "Secretary SHULTZ. I would hardly have come back from the meeting saying it was illegal if I had been informed that the Attorney General had provided a proper legal basis for proceeding." (Shultz Testim., JHICI, 7/23/87, at 17-18.)
86/01/17-025 JANUARY 17, 1986			FAMILY GROUP LUNCH: IRAN DISCUSSION WEINBERGER ACCOUNT: "Mr. EGGLESTON. Mr. Shultz has testified

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			about a family group luncheon on January 17, which would have been a Friday. "Secretary WEINBERGER. Friday, yes. "Mr. EGGLESTON. And he seems to recall there was some discussion of this initiative at that meeting. Do you recall that? "Secretary WEINBERGER. We have those meetings quite regularly, Fridays and other days when we are all together in the White House, and I don't have any specific memory of that meeting. "All the people who were at that luncheon would have been familiar with the meetings that we had had before, had been present at the December, the January meetings, so that it's possible that was a subject. I don't--didn't have any, there are no minutes of that that I know of. They were just very informal lunches." (Weinberger Testim., JHICI, 7/31/87, at 116.)
86/01/17-030 JANUARY 17, 1986			POINDEXTER'S CALL TO WEINBERGER WEINBERGER ACCOUNT, Part 1: "Mr. EGGLESTON. So between the time of the January 7 meeting and the time you received this phone call you have described from Admiral Poindexter [see 86/01/15-143], you don't recall any other meetings that you were called to discuss this initiative? "Secretary WEINBERGER. No, I don't. I think there was probably discussion within the Department and perhaps some inquiries coming over from NSC staff asking more specific questions about weapons and things of that kind, but we did not proceed nor do anything, and there were no

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			other White House meetings that I recall. "Mr. EGGLESTON. When Admiral Poindexter called you, I think you said January 17 or 18 or so, do you recall whether you had objected at that time? "Secretary WEINBERGER. Oh, yes. "Mr. EGGLESTON. What did he respond? "Secretary WEINBERGER. Well, he said the President has decided this and there's no more room for argument, something along that line. "Mr. EGGLESTON. Did you take any steps or make any effort to contact the President directly? "Secretary WEINBERGER. No. I accepted Admiral Poindexter's word. "Mr. EGGLESTON. I really wasn't asking so much about whether it was truthful or not, but did you make any attempt to go back and re-argue the order? "Secretary WEINBERGER. No, I did not. I made all the arguments I could think of at the two meetings, and having been told in very flat, uncompromising terms the President had decided, and that they were anxious to have the order carried out, I did not. "Mr. EGGLESTON. Did you know that the President had signed a finding on January 17? "Secretary WEINBERGER. No, I did not. "Mr. EGGLESTON. Did you understand by that time that this mechanism of the Economy Act followed by a CIA transfer had been worked out as the legal way to proceed? "Secretary WEINBERGER. No, I knew that the direction was to transfer to the CIA, and my

instructions, in discussions with General Powell, were to the effect that it should be under the Economy Act, by which I meant the Department of Defense would have to be fully reimbursed by the CIA for any transfer we made to them.

"We had done this in other matters in the past, transferred to various agencies, CIA usually, and some others, on an Economy Act or reimbursable basis, and I said that was to be the way in which we did this.

"Mr. EGGLESTON. You, though, were the person who had seemed to be making most of the legal arguments to the methods by which these weapons would get from the United States to Iran.

"As of the time you received the phone call from Admiral Poindexter, did you have any understanding about how those legal problems had been surmounted?

"Secretary WEINBERGER. No, but there is no legal problem --the Department of Defense transferring weapons to the CIA. That, as I say, was a familiar procedure and was covered by the various Acts, including the Economy Act.

"Mr. EGGLESTON. But you didn't know what legal authority existed for the CIA--

"Secretary WEINBERGER. No. I had heard the Attorney General give the President his straight opinion that this could be done, and I presume I assumed that the transfer to the CIA, followed by whatever action they might take, was one of the routes he was talking about.

"Mr. EGGLESTON. What did you do in response to the call from Poindexter?

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			"Secretary WEINBERGER. I talked to General Powell and said we will have to go through with this, the President has ordered it, and these preliminary discussions we have had about numbers and all, we will just have to move and ask the location of the weapons, did we have them, and told him that we would now have to carry it out." (Weinberger Testim., JHICI, 7/31/87, at 116-20.)
86/01/17-031 JANUARY 17, 1986			POINDEXTER'S CALL TO WEINBERGER WEINBERGER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. EGGLESTON. Do you recall that Admiral Poindexter, in that telephone conversation, indicated that you should make 4,000 TOWs available to the CIA? "Secretary WEINBERGER. I don't think he was that specific. I think he said that we will get the details over to you or over to General Powell, but we have to move on it and quickly, and the President has made a firm decision on it. "Mr. EGGLESTON. Did there come a time when you learned how many TOWs they were talking about? "Secretary WEINBERGER. Yes. They ultimately talked about 4,000, and somewhat later I_was told that it had moved up to 4500. We did not ever send that many. We sent, I think, approximately 2,000 in three or four increments, I believe. "Mr. EGGLESTON. You had indicated that your original indication was that you were to make 4000 available, and subsequently it raised to 4500. Did you know the reason the number had been raised?

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			"Secretary WEINBERGER. No, and we never sent that many. "Mr. EGGLESTON. You did not know then, or did not understand, that the reason the amount had been raised was to account for the replenishment of the missiles that had been sent by Israel-- "Secretary WEINBERGER. Not at that time, no. Understand that in the course of reading and hearing about this over the course of the months, a very large amount of additional information has been made public and come to my attention and that I have heard about. It is very hard to sort out what I knew when, at any particular time, but I am quite sure I did not know about that at that time." (Weinberger Testim., JHICI, 7/31/87, at 120-21.)
86/01/17-045 JANUARY 17, 1986			IRAN ARMS TRANSACTIONS: PRESIDENT'S APPROVAL OF U.S. SALES PRESIDENT'S DIARY ENTRY: In his diary, the President writes, "I agreed to sell TOWs to Iran." (Iran-Contra Report, at 209; Tower Report, at III-12.)
86/01/17-050 JANUARY 17, 1986			THE 1/17/86 FINDING: TEXT "Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection[:] "I hereby find that the following operation in a foreign country (including all support necessary

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			to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct. "SCOPE[:] "Iran "DESCRIPTION[:] "Assist selected friendly foreign liaison services, third countries and third parties which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counter-intelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

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			"The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding. "The White House "Washington, D.C. "Date January 17, 1986 "[Signed:] Ronald Reagan". (JHICI Ex. JMP 29-D [= Exx. 9, SS 18, OLN 268-D]. See 86/01/06-100 and notes to that entry.)
86/01/17-060 JANUARY 17, 1986			THE 1/17/86 FINDING : PRESIDENT'S SIGNING AND WHO KNEW ABOUT IT REGAN ACCOUNT: "Mr. SMILJANICH. And on January 17, [the President] signed a Presidential covert action finding. "Mr. REGAN. No, he didn't. "Mr. SMILJANICH. All right. "Mr. REGAN. No, he didn't. "Mr. SMILJANICH. What happened? "Mr. REGAN. As I recall what happened

was--this was very brief during part of the regular 9:30 meeting. There were other subjects discussed. And, oh, by the way, we have that finding from the January 7th [sic]. It was not shown to the President. He was briefed orally by the National Security Advisor, assured that it was in line with what he had seen on January 6th and what had been discussed at January 7th [sic] was in accordance with his wishes. I do not recall the President signing that document.

". . . .

"Mr. SMILJANICH. [Ex. DTR 17] is a Presidential covert action finding, dated at the bottom, January 17, 1986.

"Mr. REGAN. Yes.

"Mr. SMILJANICH. And the signature of Ronald Reagan appears on it?

"Mr. REGAN. That is right.

"Mr. SMILJANICH. . . . [W]hat you are saying is you don't specifically recall the President signing this document?

"Mr. REGAN. That's right. I don't remember him signing it, but that certainly is his signature.

"Mr. SMILJANICH. When did you first discover that the President had signed a finding on January 17 allowing this matter to go forward?

"Mr. REGAN. Sometime in October of 1986. Bill Casey called me to ask if I had a copy of the finding of January. I asked my staff to see if we had a copy in our files. We had none.

"I went back to him and said no, I don't have one, ask John Poindexter. I said how come you don't have one. He said we don't have one in our files, and he said that's why I'm trying to find one.

"So I didn't realize that the thing had been signed or where it was until late October of '86.

"Mr. SMILJANICH. So you are saying that in late October of 1986, after this operation had been going forward for eight, nine, ten months, neither you nor Director Casey had specific knowledge that the President had signed a finding dated January 17?

"Mr. REGAN. I think both of us--although I shouldn't characterize what he was thinking, but I will say that I was thinking that all along I just assumed that he probably had signed it. I just didn't see it.

"Mr. SMILJANICH. And you couldn't locate a copy and the Director of Central Intelligence couldn't locate a copy?

"Mr. REGAN. That is correct.

"Mr. SMILJANICH. You finally did determine who had the only copy of that finding; is that right?

"Mr. REGAN. Yes.

"Mr. SMILJANICH. Who[m] did you call?

"Mr. REGAN. I asked Poindexter about it the next day. I said did Casey call you about that finding. He said yes. I said where the hell has it been--excuse my language. That is normal for me. Excuse me.

"And he said I have the only copy, it's in my safe, it's with me."
(Regan Testim., JHICI, 7/30/87, at 43-46. JHICI

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			Ex. DTR 17 [= Exx. OLN 268-D, JMP 29-D; 1/17/86 Finding].)
86/01/17-065 JANUARY 17, 1986 - NOVEMBER 1986			THE 1/17/86 FINDING: WEINBERGER'S KNOWLEDGE WEINBERGER ACCOUNT: "Mr. EGGLESTON. Mr. Secretary, let me quickly go through a number of events which took place then between January, 1986 and November, 1986. I just want to know the state of your knowledge about each of these events. "You had indicated that you did not know that a finding had been signed on or about January 17th. When did you first learn there was a finding? "Secretary WEINBERGER. In November of '86. "Mr. EGGLESTON. Between January and November, you were not aware that there was a finding at all? "Secretary WEINBERGER. That is correct. "Mr. EGGLESTON. Did you have any understanding about the legal method by which the CIA was transferring the weapons? "Secretary WEINBERGER. No, I didn't know how the CIA was getting them over. That information was never conveyed. Our assignment, our responsibility was to transfer to the CIA, and we did that." (Weinberger Testim., JHICI, 7/31/87, at 121-22.)
86/01/17-067 JANUARY 17, 1986			THE 1/17/86 FINDING AND THE IRAN INITIATIVE, GENERALLY: SHULTZ' KNOWLEDGE SHULTZ ACCOUNT: "Mr. MITCHELL. And then, on January 17, the

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			President signed a third finding on Iran, and that same day, in the afternoon, met with you. . . . [A]m I correct in my understanding that on that afternoon, the President did not tell you that he had signed a third finding on the Iran initiative on that very day? "Secretary SHULTZ. To the best of my recollection, the first I heard of the January 17 finding was in the briefing on these matters on the 10th of November. "Mr. MITCHELL. Well, my point is with all due respect, Mr. Secretary, it wasn't just Admiral Poindexter who was keeping you in the dark, was it? "Secretary SHULTZ. Well, if the thrust of your question is that the President was part of an effort to see that I didn't know what was going on, I don't believe that. "Mr. MITCHELL. No, that is a conclusion. "Secretary SHULTZ. Yes, that is right. "Mr. MITCHELL. I think my point is that the President signed three findings relating to Iran. "Secretary SHULTZ. He signed two that we know of for sure, and another that if he signed it in Admiral Poindexter's presence, it apparently didn't register with him very well, at least he doesn't remember it. And, quite possibly, the President assumed that somehow or other there was a process of discussion going on that wasn't in fact going on. "I am just speculating. But I don't know. "Mr. MITCHELL. In any event-- "Secretary SHULTZ. I have a relationship with

the President such that I don't think he is out to deceive me.

"Mr. MITCHELL. No, and I certainly didn't mean to suggest that. My point was that the President, for whatever reason, did not inform you that he had signed these findings, even though you participated in discussions with him regarding the Iran initiative, we'll take just the last two, on one occasion, on the very same day and on the other the day after.

"Secretary SHULTZ. He didn't inform me and neither did any of the other people involved.

"Mr. MITCHELL. Well--

"Secretary SHULTZ. But I--

"Mr. MITCHELL. I won't draw any conclusions.

"Secretary SHULTZ. I'm not accepting the conclusion that somehow the President was deceiving me. I don't accept that.

"Mr. MITCHELL. I want to make clear I'm not suggesting collusion. I guess all I'm suggesting is I think in fairness to Admiral Poindexter, I think the events as described and as they occurred could have led him to conclude that it was the President's wish that you not be informed since he knew that the President had signed the findings; he knew that you were Secretary of State and had participated in discussions on these matters almost contemporaneous with the findings, and chose not to tell you about them.

"Secretary SHULTZ. I think it is equally arguable or maybe more so given my knowledge of the President that he assumed that what was happening I was aware of."

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			(Shultz Testim., JHICI, 7/24/87, at 135-38. See JHICI Ex. GPS 19 [signed Finding, 1/17/86]. See 85/12/05-801 and 86/01/06-701 on Shultz' knowledge of other Iran Findings.)
86/01/17-075 AFTER JANUARY 17, 1986			THE IRAN INITIATIVE: NORTH'S ROLE POINDEXTER ACCOUNT: "Mr. RUDMAN. I have a policy question for you on Colonel North. The findings related to the CIA in terms of this operation, yet Colonel North ended up in operational control of the Iran Initiative, certainly. If you disagree with that characterization, feel free to state it in your answer. I would say from all of the documents we have, he ended up in operational control of the Iran Initiative on your behalf, not anyone at the CIA. I am not talking about the diversion now. I am talking about the finding authorized under law, the finding, whether it was timely, retroactive, whatever. There was at least some attempt to comply. I don't agree with the attempt, but there certainly is documentation. "Why was an operative of the NSC put in operational control of this when the finding specifically said CIA? "Mr. POINDEXTER. I don't recall a detailed conversation with Bill Casey in coming to that decision. I would rather describe it as the situation evolved that way. As I think I testified this morning, Bill Casey held Colonel North in very high regard, as did I, and after the 17 January finding was signed, Bill agreed that Colonel North ought to continue with the--in the

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			role that he had started in November. Bill assigned some of his other people to the situation and eventually brought back an Iranian expert--I guess he has been identified in these hearings. "Mr. RUDMAN. Yes. "Mr. POINDEXTER. George Cave. And George and Ollie and one other CIA employee, who[m] I don't think has been identified, were heavily involved; but I would agree with you, that Colonel North took probably the most active role, and since he was representing me, I am sure that the other members who worked for Bill Casey deferred to him often in carrying out the operations. "Mr. RUDMAN. Since Colonel North was more than just involved in it, but in fact was directing all these people, would it not have been appropriate, Admiral, to have that finding include specified NSC personnel, for the record? "Mr. POINDEXTER. The thought never crossed my mind." (Poindexter Testim., JHICI, 7/17/87, at 148-50.)
86/01/17-090 SOMETIME IN JANUARY 1986			THE IRAN INITIATIVE: CASEY'S VIEW CLARRIDGE ACCOUNT: "Mr. McCollum. . . . Admiral Poindexter testified that in the process of the Iranian Initiative beginning to be created and the findings that were made, that while the findings directed the operation to be conducted by the CIA, that he in essence put Colonel North on loan to Director Casey and that it was Director Casey's wish that Colonel North run this Iranian arms hostage whatever initiative that we have been all

investigating.

"In essence, the way I gather from Admiral Poindexter's testimony, this was a CIA operation, but Director Casey chose to use Colonel North instead of choosing to use the agency.

"Do you have any knowledge about that?

"Mr. Clarridge. I don't. That is not my perception of the situation at all.

"Mr. McCollum. What is your perception?

"Mr. Clarridge. In January or -- in January, mid-January, 198 -- let me get my dates right, 1986, at the time of the finding, although I was at that moment engaged with the Director in discussions on improving the agency's counter-terrorism posture abilities, there were certain aspects to the Iran Initiative that involved Ghorbanifar, that involved terrorism. Ghorbanifar claimed, and was later proved correct, to have had good information on a terrorist event, on an attempted terrorist event, [redacted] last year.

"In the context of that, it was very clear to me that the Director preferred that the agency run the entire Iranian operation. And I have so told the Tower Commission when they asked me on this particular issue.

"Mr. McCollum. This comes from discussions you had with Director Casey?

"Mr. Clarridge. Yes. The Director would have preferred that the Agency run the entire operation rather than parsing it with the Agency only running the logistics. However, there was no support below the Director for this largely because Ghorbanifar could not pass a polygraph and, therefore those below the Director involved in the Iran operation were opposed to working the operation with Ghorbanifar and, therefore, he didn't have any operation.

"Mr. McCollum. You are talking about below the Director, you are talking about in the Agency itself, below the Director, of Mr. McMahon and Mr. George, in particular?

"Mr. Clarridge. And on down.

"Mr. McCollum. They opposed the CIA being more involved in it than they were? Is that what you are telling me?

"Mr. Clarridge. They did not want to -- I cannot say that they didn't want to be involved at all. What I am saying is they did not want to run the operation, the Ghorbanifar piece of the operation. In other words, which, in effect, is they didn't want to run the operation. Because if you didn't work the operation from Ghorbanifar, you didn't have any operation.

"Mr. McCollum. That's how it got left to North? Is that what you are saying?

"Mr. Clarridge. That is correct. I am not saying that North himself didn't want to hang onto it. The Director, certainly his intention and his wish was that the Agency run the whole thing." (Clarridge Testim., JHICI, 8/4/87, at 116-19. See id., 8/4/87, at 227-28.)

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THE IRAN INITIATIVE: CIA ROLE, AND CASEY GEORGE ACCOUNT:

"Mr. Stokes. That leads me into my next

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			question, because that has been one of my concerns. When you look back at the January 17, 1986, finding on Iran, it appears to be directed to the CIA. Yet you and others at the Agency have insisted that the CIA played only a support role in the Iranian operation. "There are some of us who, having some knowledge of intelligence operations, have commented upon the fact that the professionals in this business were not used particularly when it came to the DEA ransom operation, and in the case of the Iranian operation also. NSC was chosen to conduct it. "I guess the logical question is, why didn't Director Casey fight this? If you know. "Mr. George. I'll let you in on a secret. The way to handle Bill Casey was outflank him to the right, charge him with being less than adventurous, suggest that maybe he really wasn't ready to take the high risk. What Bill Casey needed around him were cautious people to some degree, not frightened people, but cautious people. "I would suggest, and I guess I can suggest as well as anybody because God knows I dealt with him night and day, Bill Casey fell afoul to a charge in the White House that 'come on, Bill, we have had enough of those' -- as Dick Secord titles us -- 'shoe salesmen; let's get a real operation together and really do something.' "Mr. Stokes. That is what I to a large extent sort of suspected, that there may have been a question --

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			"Mr. George. Please, I'm not sure Bill Casey knew everything and I question a great deal, and it is not mine to question, of the charges made against Bill Casey before these committees and taking the fall after you['re] dead is the last great fall, but there is no doubt about it, Bill Casey was very vulnerable to the 'oh, come on, Bill, those bureaucrats, let's get out and sock it to them.' He may have allowed himself to be convinced. "Don't forget the significance of the fact of Mr. Ghorbanifar, contacts with Iran, plans for the release of hostages, plans for the development of contacts with moderates w[ere] brought to us by one of our very closest allies, in whom we have very great trust, in whom we place a Middle East role of unbelievable significance, the government of Israel -- the Israelis will admit that this was a mistake, so there was a variety of things that happened. Casey's weakness was probably to say, 'oh, we'll take a chance.' "Mr. Hyde. Would you yield to me? "Mr. Stokes. Yes. "Mr. Hyde. Isn't it a fact that the CIA bureaucracy, as the State Department bureaucracy and possibly the Defense Department bureaucracy, were not hot for this thing at all and there was a fear of Director Casey's that had the CIA been into operations on this that there might have been leaks or there certainly would have been a lack of enthusiasm for it, and better to go with the gung-ho guys who felt this was a great, neat idea, is that too wild a speculation?

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			"Mr. George. Mr. Hyde, I don't agree. I think we have -- working within a government structure, we have as bold and as adventurous a government structure as there is, and we understand who the Director is and the President is. "I cannot buy the theory that you won't tell your CIA experts because you believe they are going to say no. Tell them and if they say no, and you think they are crazy, go ahead and do it, but see, they didn't tell us." (George Testim., JHICI, 8/6/87, at 179-82.)
86/01/17-093 1985-86			THE IRAN INITIATIVE: CIA ROLE, AND CASEY GEORGE ACCOUNT: "Mr. McCollum. . . . Admiral Poindexter told us when he testified that the way it came about that the CIA didn't do the operation on the Iran initiative was after the finding was made that Mr. Casey chose Oliver North to do it. "Mr. Clarridge testified that he was personally aware that Mr. Casey wanted the CIA, would have preferred the CIA to run the entire Iranian initiative, but he didn't want to name you or McMahon or anyone else, but he said others in the agency weren't real keen on it. He wasn't sure of the details of how it came about, but obviously Mr. Casey didn't go with the agency on it. [See 86/01/17-090.] "Then you told us earlier in your testimony, not just in response to the last two questions [see 86/01/17-092; 86/00/60-200], that at some point you went in and told Mr. Casey that you

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			didn't think so much of Mr. Ghorbanifar and after that you didn't run the operation, you didn't have any more really to do with it except logistics. Is that a fair summary of this situation? Was there a time when you actually sat down when Casey said I want to go with this thing and you said I don't like Ghorbanifar? "Mr. George. I was never invited at all, nor my fellow professionals in the Operations Directorate, to comment upon the validity, success quotient of the Iranian arms deal. It was presented to us. Would -- that is Mr. Hyde's question again [see 86/01/17-092] -- if he asked us, would we have said no. "Mr. McCollum. Why did Mr. Clarridge say from his personal knowledge he knew because Director Casey had said in it his[ ]presence that he would have preferred to have the agency do it? "Mr. George. I don't know. Bill Casey never said that to me. I expressed great concern about Mr. Ghorbanifar. I never have heard, nor to this day have I ever seen, and I understand your committee or the independent counsel or someone is beginning to receive information from the Government of Israel -- what did they know? Maybe they knew a lot more about what was happening than I do. "Mr. McCollum. When did you express this about Ghorbanifar to Mr. Casey? "Mr. George. December 1985." (George Testim., JHICI, 8/6/87, at 185-86.)
86/01/17-100			COVER MEMO FOR THE 1/17/86 FINDING

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

DATE	GENERAL	CONTRAS	IRAN
JANUARY 17, 1986			TEXT: North prepares a cover memo for the January 17 Finding for Poindexter to give to the President. The memo recommends rejection of Nir's January 2 proposal (see entries starting at 86/01/02-030). It also outlines a new plan to make direct sales from the CIA to Iran through Secord, who is identified only as "an authorized agent": ". . . . ". . . We have researched the legal problems of Israel's selling U.S. manufactured arms to Iran. Because of the requirement in U.S. law for recipients of U.S. arms to notify the U.S. government of transfers to third countries, I do not recommend that you agree with the specific details of the Israeli plan. However, there is another possibility. Some time ago Attorney General Willaim French Smith determined that under an appropriate finding you could authorize the CIA to sell arms to countries outside of the provisions of the laws and reporting requirements for foreign military sales. The objectives of the Israeli plan could be met if the CIA, using an authorized agent as necessary, purchased arms from the Department of Defense under the Economy Act and then transferred them to Iran directly after receiving appropriate payment from Iran. "The Covert Action Finding attached . . . provides the latitude for the transactions . . . . The Iranians have indicated an immediate requirement for 4,000 basic TOW weapons for use in the launchers they already hold. ". . . .

". . . [I]t is proposed that Israel make the necessary arrangements for the sale of 4000 TOW weapons to Iran. Sufficient funds to cover the sale would be transferred to an agent of the CIA. The CIA would then purchase the weapons from the Department of Defense and deliver the weapons to Iran through the agent. If all of the hostages are not released after the first shipment of 1000 weapons, further transfers would cease.

"On the other hand, since hostage release is in some respects a byproduct of a larger effort to develop ties to potentially moderate forces in Iran, you may wish to redirect such transfers to other groups within the government at a later time.

". . . . You have discussed the general outlines of the Israeli plan with Secretaries Shultz and Weinberger, Attorney General Meese and Director Casey. The Secretaries do not recommend you proceed with this plan. Attorney General Meese and Director Casey believe the short-term and long-term objectives of the plan warrant the policy risks involved and recommend you approve the attached Finding. Because of the extreme sensitivity of this project, it is recommended that you exercise your statutory prerogative to withhold notification of the Finding to the Congressional oversight committees until such time that you deem it to be appropriate."

(Handwritten by JMP at bottom of memo: "President was briefed verbally from this paper. VP, Don Regan and Don Fortier were present.") (JHICI Ex. 9 [= Ex. JMP 28].)

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

DATE	GENERAL	CONTRAS	IRAN
86/01/17-105 JANUARY 17, 1986			COVER MEMO FOR THE 1/17/86 FINDING POINDEXTER DEPOSITION ACCOUNT, Part 1: Admiral Poindexter, questioned about his notes of January 17, 1986 (Poindexter Dep. Ex. 15) and the cover memo for the January 17 Finding (Poindexter Dep. Ex. 14), testified: "MR. VAN CLEVE: Is that your handwriting? "THE WITNESS: Yes. It is my printing. ". . . . "BY MR. LIMAN: "Q. Israel to Iran reporting problem, new plan, submit determination of vice 500. What does that mean? "A. We are talking about 1000 TOWs vice 500 TOWs. "Q. Downside meant you discussed the downside of it? "A. Right. "Q. New finding meant you told -- right under it -- you told the President that the Attorney General, Meese, and the DCI had approved? "A. The finding, that's right. Shultz and Weinberger -- "Q. Still recommending against it? "A. That's correct. "Q. If you look at . . . Exhibit [14], the memorandum dated January 17, 1986? ". . . . "Q. . . . Who prepared that for you, Admiral, do you recall? "A. I am almost certain Colonel North did. In fact -- yes. Page 3, it indicates it's

prepared by Oliver L. North.

"Q. If I look at page 3, it says R.R. per J.P. understands the recommendation. Why did you do it that way?

"A. Because that's the way I often did issues where I discussed them verbally with the President. As I recall, that day when I met with the President, with the final version of the operative finding, because it was so sensitive, I did not make any usual copies of it to hand out to the Vice President and the Chief of Staff but instead kept the cover memo in my hands and probably read the cover memo to the President and just gave him the finding that was attached.

"In a case where I did that, maybe you will find others in the record where a similar thing happens --

"Q. Where it says '1000, 17 January '86,' is that your handwriting? Page 3?

"A. Yes. That's 10 hundred. In other words --

"Q. That's the hour?

"A. That's the hour.

"Q. Would you look at page 1. It says, 'We have researched the legal problems of Israel selling U.S.- manufactured arms to Iran. Because of the requirement in U.S. law for recipients of U.S. arms to notify the U.S. Government of transfers to third countries, I do not recommend that you agree with specific details of the Israeli plan. However, there is another possibility. Some[ ]time ago, Attorney General William French Smith determined that under an

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			appropriate finding, you could authorize the CIA to sell arms to countries outside of the provisions of the laws and reporting requirements for foreign military sales. The objectives of the Israeli plan could be met if the CIA, using an authorized agent, as necessary, purchased arms from the Department of Defense under the Economy Act and then transferred them to Iran directly after receiving appropriate payment from Iran.' "A. That's correct. "Q. What did 'appropriate payment' mean? "A. It meant whatever -- in the context of this memo, it meant whatever the price was that we would have to charge the Israelis for replacements. In other words, the point that was being made there is that if Israelis -- as happened earlier, if they sent them older versions of the TOW missile, that they had better collect enough to buy the improved version because what we would want to sell the Israelis in return was the improved version, and so the appropriate payment is exactly what it means. "Q. I gathered what this was talking about was a sale by the CIA of arms? "A. Oh, I see what you mean. I see your point. I understand the point you are driving at here, too, I guess. "MR. BECKLER: Just answer the question. What does 'appropriate payment' mean, if you know? "THE WITNESS: I don't know." (Poindexter, Senate Dep., 5/2/87, at 164-67.)
86/01/17-106		IRAN ARMS TRANSACTIONS: FUNDS GENERATED	COVER MEMO FOR THE 1/17/86 FINDING

DATE	GENERAL	CONTRAS	IRAN
JANUARY 17, 1986		FOR THE CONTRAS POINDEXTER DEPOSITION ACCOUNT: "Q. At the time you sent this memorandum [Poindexter Dep. Ex. 14], was it contemplated that there would be funds generated to be used for the contras? "A. That was not my understanding. "Q. So at the time you presented this verbally to the President of the United States, you were not talking about generating funds for the contras? "A. No. "Q. And you were not talking about generating a profit for a middleman? "A. That's correct. "Q. When did that come into the picture? "A. As I told you, to the best of my recollection, it was in February when Colonel North came to me and said that he had figured out a way to provide additional support, he thought, to the contras." (Poindexter, Senate Dep., 5/2/87, at 168-69.) See col. 3.	POINDEXTER DEPOSITION ACCOUNT, Part 2: [Continuing from preceding entry:] "Q. Was it contemplated when you sent this memorandum that the middleman would make a profit? "A. That was certainly not my understanding. "Q. At the time you sent this memorandum, was it contemplated that there would be funds generated to be used for the contras? "A. That was not my understanding. "Q. So at the time you presented this verbally to the President of the United States, you were not talking about generating funds for the contras? "A. No. "Q. And you were not talking about generating a profit for a middleman? "A. That's correct. "Q. When did that come into the picture? "A. As I told you, to the best of my recollection, it was in February when Colonel North came to me and said that he had figured out a way to provide additional support, he thought, to the contras. "Q. Admiral, did it not occur to you at that time that if there was going to be a spread between what you were getting from the Iranians and what you were paying to the CIA or Defense Department, that that was money that might appropriately belong to the United States of America? "A. That thought never crossed my mind. "MR. BECKLER: At what time? "THE WITNESS: At that time.

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			"BY MR. LIMAN: "Q. When Colonel North reported this? "A. That's correct." (Poindexter, Senate Dep., 5/2/87, at 168-69.)
86/01/17-110 JANUARY 17, 1986			THE 1/17/86 FINDING: WHO KNEW AT THE TIME THAT IT EXISTED SUMMARY: (1) NSC Meeting Chronology: This unsigned, unlabeled, one-page NSC document lists: "Friday, January 17, 1986 (9:30AM) "NSB with Vice President, Regan, Fortier "President read memo and signed final Finding (first Finding superceded [sic])" (Committee Document N 7718, cited in Iran-Contra Report, at 203 nn. 143, 145. On the NSC Chronology entries, see 85/12/07-090. For entries on National Security Briefings, see 86/01/07-005, 86/01/08-005, 86/01/09-005, 86/01/16-005.) (2) Cover Memo for the 1/17/86 Finding: Poindexter's handwritten notation on the cover memo for the Finding reads, "President was briefed verbally from this paper. VP, Don Regan and Don Fortier were present." (JHICI Ex. JMP 28.)
86/01/17-200 JANUARY 17, 1986			COVER MEMO FOR THE 1/17/86 FINDING NORTH ACCOUNT: "Mr. LIMAN. You did draft the cover memo, Exhibit [OLN] 60, for the January 17 finding, did you not? "It says prepared by Oliver North. It is Exhibit 60. It is a memo from Admiral Poindexter to the President. It has the famous, 'President

was briefed verbally from this paper.'

". . . .

"Mr. LIMAN. . . . It says, 'Prepared by Oliver L. North.'

"Mr. NORTH. Yes, I see it.

"Mr. LIMAN. Were you present when the briefing occurred, if you recall?

"Mr. NORTH. I do not recall.

". . . .

"Mr. LIMAN. Do you also recall in this memorandum to the President that you indicated that if all of the hostages were not released after the first 1,000 TOWs were shipped, that further transfers would cease?

"That is the next to last paragraph on the page.

"Mr. NORTH. Yes, it does. [Sic.]

"Mr. LIMAN. Do you remember that it was, in fact, the stated policy of the President that he would try to get the hostages back by an initial shipment of TOWs, but if they didn't deliver them all[,] it would stop?

"Mr. NORTH. That was clearly the intent when this was prepared in January, that's correct." (North Testim., JHICI, 7/10/87, at 27-29; JHICI Ex. OLN 60 [Cover memo of the 1/17/86 Finding, from Poindexter to the President].)

86/01/17-205
JANUARY 17,
1986

COVER MEMO FOR THE 1/17/86 FINDING
MEESE ACCOUNT:

"Mr. NIELDS. . . . Exhibit [EM] 9 . . . is a cover memorandum to the January 17th finding. And on page 2, at the bottom, it says, 'if all the

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			hostages are not released after the first shipment of a thousand weapons, further transfer would cease.' "Attorney General MEESE. I do not believe that I ever saw this document at the time, but that certainly is consistent with what we were led to understand was a part of the discussion that I remember taking place on the 7th of January, and this was what led me to believe that this would be a very short-term operation. "Mr. NIELDS. Just to make it clear, either the weapons would be delivered and the hostages released at which point notice would be given, or the weapons would be shipped and the hostages not released, in which case the whole thing would be terminated and notice would be given. "Attorney General MEESE. That is what this says and what I remember being discussed on 7 January. "Mr. NIELDS. As we know, at this point the weapons were shipped, no hostages were released, but the inititative was not terminated. Were you ever advised that there was a change in plan in terms of the length of delay? "Attorney General MEESE. No, sir. I was not. I found out about it obviously in November of 1986 that that, in fact, is what had occurred." (Meese Testim., JHICI, 7/28/87, at 30-31. JHICI Ex. EM 9 [cover memo for the 1/17/86 Finding, from Poindexter to the President].)
86/01/17-210 JANUARY 17,			COVER MEMO FOR THE 1/17/86 FINDING POINDEXTER ACCOUNT:

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1986			"Mr. NIELDS. . . . The cover memo to the January 17 finding which I believe is Exhibit [JMP] 28 also makes no reference to the earlier transactions. Would you agree with that? "Mr. POINDEXTER. I don't see that it refers to the earlier transactions by the Israelis. "Mr. NIELDS. And, in fact, on the first page, in the second full paragraph, it says 'The Israelis are prepared to unilaterally commence selling military materiel to western-oriented Iranian factions.' "Mr. POINDEXTER. Right. "Mr. NIELDS. Again, 'commence', I take it, means begin? In fact, they were already or they had already made a couple of sales? "Mr. POINDEXTER. Well, they had, but I think it is important to make the point here that neither Colonel North nor I--we--to be very frank, we thought that the operation had been all screwed up, and I don't know what Colonel North had in mind in phrasing it that way. I certainly didn't focus on the absence of the earlier transactions in this. "Obviously, at the time we would have been aware that the President was aware of these things, and so the whole finding, the whole cover memo is addressed to the future and not to the past. ". . . . "Mr. NIELDS. . . . Admiral Poindexter, the absence of a reference to prior transactions in the cover memo or the finding to which it relates of January 17 contrasts with the finding which was

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			signed on December 5, which states in its last paragraph, 'All prior actions taken by U.S. Government officials in furtherance of this effort are hereby ratified.' "I take it that finding expressly attempted to approve a transaction which had already occurred, or transactions which had already occurred? "Mr. POINDEXTER. Yes, It tried to do that. As I said, I was never happy with that particular finding, and that was one of the reasons, as well. I don't necessarily endorse that concept. "Mr. NIELDS. And that either referred to or included the shipment of 18 Hawks in November of 1985? "Mr. POINDEXTER. Yes. I think that is really all that it addressed." (Poindexter Testim., JHICI, 7/16/87, at 117-19; JHICI Ex. JMP 28 [cover memo for the 1/17/86 Finding]. See 86/01/17-351 [Poindexter on the cover memo].)
86/01/17-215 JANUARY 17, 1986			COVER MEMO FOR THE 1/17/86 FINDING: THE IRAN-IRAQ WAR POINDEXTER ACCOUNT: "Mr. NUNN. Admiral, along that line [following from 85/12/05-123], the January 17 finding which followed, of course, that one [that] was a more complete document-- "Mr. POINDEXTER. Right. "Mr. NUNN. --according to your testimony, that is Exhibit No. [JMP] 28. In the first paragraph of the memo which you sent to the President, that accompanied that finding, the

first paragraph states, and I will read it to you: 'Prime Minister Peres of Israel secretly dispatched his special adviser on terrorism with instructions to propose a plan by which Israel, with limited help from the United States, can create conditions to bring about a more moderate government in Iran. The Israelis are very concerned that Iran's deteriorating position in the war with Iraq, the potential for further radicalization in Iran, and the possibility of enhanced Soviet influence in the Gulf all pose significant threats to the security of Israel.'

"Did you see that?

"Mr. POINDEXTER. Yes, I see that.

"Mr. NUNN. There is just one part of that I want to ask you a question about. That is the words 'the Israelis are very concerned with Iran's deteriorating position in the war with Iraq,' that was a memo you were sending to the President of the United States with a very important finding attached thereto. Everything I recall about that period of time indicates that that position, though it may have very well been the Israeli position, was not the United States Government position.

"That is, we did not believe the Iranian position was deteriorating vis-a-vis Iraq in that war.

"Do you have a different recollection of that?

"Mr. POINDEXTER. I do. We were always concerned about the ability of the Iranians to hold on for a protracted period of time.

"Mr. NUNN. The Iranians, I thought it was the

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			Iraqis who were-- "Mr. POINDEXTER. No. There were differences of opinion on this issue. "Mr. NUNN. So you agreed with the Israeli position? "Mr. POINDEXTER. Yes, I think we did agree with that at that time. "Mr. NUNN. When you say we, who[m] do you mean? "Mr. POINDEXTER. I think members of the NSC staff and I think Director Casey felt that way. "Mr. NUNN. Why in the world did we have a roving ambassador going all over the world trying to stop the flow of arms into Iran and calling it Operation Staunch with the State Department people going all over trying to prevent that if we thought the Iranian position was the one that was deteriorating? "Mr. POINDEXTER. Senator, we were trying to bring an end to the war. We wanted to help bring about the end of the war by limiting the flow of arms into Iran and frankly Iraq. We were not interested in providing or encouraging others to provide unlimited support to Iraq. We wanted to lower the intensity of the conflict. "Mr. NUNN. We will have to ask Secretary Shultz about that when he appears [see 86/01/17-221] and Secretary Weinberger [see 86/01/17-250, 86/11/10-209], because that statement, although I can certainly acknowledge it was the Israeli view, it was contrary to everything I was hearing back then. "I have been under the impression for at least

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			two or three years that we have been concerned about precisely the opposite, that the Iraqi position was going to deteriorate over the long haul[.] "Mr. POINDEXTER. As I said, there was difference of opinion. I can recall intelligence analysts predicting very early in the war that there was no way that Iraq could stand up to the Iranian forces. That was not the case. The Iraqis demonstrated a significant ability to hold on." (Poindexter Testim., JHICI, 7/21/87, at 62-65; JHICI Ex. JMP 28 [cover memo for the 1/17/86 Finding, from Poindexter to the President].)
86/01/17-216 JANUARY 17, 1986			COVER MEMO FOR THE 1/17/86 FINDING: THE IRAN-IRAQ WAR POINDEXTER ACCOUNT: "Mr. NUNN. . . . We talked before lunch about the January 17th finding on the sale of arms to Iran and all the ramifications of that and your memo which recited the Israeli position that they are very concerned at that time about Iran's deteriorating position in the war with Iraq, do you recall that? "Mr. POINDEXTER. Yes. "Mr. NUNN. I believe you said that you agreed with that Israeli position? "Mr. POINDEXTER. Yes, I do. "Mr. NUNN. I am informed that there was an interagency study in '85 and there was an update of that study in February '86, one month after that that that concluded that the major U.S.

concern was collapse of Iraq on the southern front.

"Mr. POINDEXTER. The intelligence community from the very beginning was concerned about the Iraqi[s'] ability. Not everybody shared that view.

"Mr. NUNN. So there was a split in the Administration on that?

"Mr. POINDEXTER. That is correct." (Poindexter Testim., JHICI, 7/21/87, at 188. On the Iran-Iraq War and the cover memo for the 1/17/86 Finding, see also entries starting at 86/01/17-712.)

86/01/17-220
JANUARY 17,
1986

COVER MEMO FOR THE 1/17/86 FINDING: THE IRAN-IRAQ WAR

SHULTZ ACCOUNT, Part 1:

"Mr. NUNN. I want to ask you to consider with me a moment a memo that Admiral Poindexter prepared for the President dated January 16, 1986. . . .

"The key paragraph, as far as this question is concerned, is the first paragraph. It says, and I quote from that memo from Admiral Poindexter to the President, quoting, 'Prime Minister Peres of Israel secretly dispatched his special adviser on terrorism with instructions to propose a plan by which Israel, with limited assistance from the United States, can create conditions to help bring about a more moderate government in Iran.'

"And this is the key sentence here, 'The Israelis are very concerned that Iran's deteriorating position in the war with Iraq, the

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			potential for further radicalization in Iran, and the possibility of enhanced Soviet influence in the Gulf all pose significant threats to the security of Israel.' "The part I want to focus on is, 'The Israelis are very concerned that Iran's deteriorating position in the war with Iraq. . . .' I asked Admiral Poindexter about that and he said that he did give this memo to the President. He also said not only did he give him that with no other view, but that indeed was Admiral Poindexter's view. He believed that the Iranian position was deteriorating. So Admiral Poindexter testified that he agreed with the Israeli position. "I'm not sure this was the Israeli position, but that is what it was portrayed to be to the President, and we'll assume for the purpose of this that it was. "My question is, was that the assessment that you understood was the U.S. Government assessment at that time, that the Iranians had a deteriorating position in the war with Iraq? "Secretary SHULTZ. No. My--I will be careful how I state this, because I'm not sure just what the classifications of these things are, but broadly speaking, there was an assessment in the middle or so of 1985 that was--that had a rather, had very much the view that the situation in Iran was deteriorating. The Ayatollah was aging, possibly near death and so on, and [it was] argued that there was a threat of Iran turning to the Soviet Union for arms, and therefore in the intelligence estimate, we should consider changing

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			our policy insofar as arms sales are concerned. And that was the basis used in the NSDD draft which was sent around, which has been stated, and I think you can see more or less that in there. "That was an intelligence assessment. I felt, and a number in the State Department--not in the intelligence unit, but people who were familiar with the situation--felt that that was not a correct assessment. "In early 1986--I don't know just what the date was--there was a reassessment made, and the reassessment in a sense corrected that, and gave an estimate that the situation, that the analysis of mid-1985 had been proven wrong, and I think much more the way we had thought really it was, and I think it is quite clear that during much of 1986, Iran was very much the aggressive country in the war. "So I wouldn't agree with the assessment that you read out." (Shultz Testim., JHICI, 7/24/87, at 162-64. See JHICI Ex. JMP 28 [cover memo for the 1/17/86 Finding, from Poindexter to the President].)
86/01/17-221 JANUARY 17, 1986			COVER MEMO FOR THE 1/17/86 FINDING: THE IRAN-IRAQ WAR SHULTZ ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. NUNN. I have been informed there was an interagency task force that had, before this memo [Ex. JMP 28] was written, had reached the conclusion that the chief U.S. concern was Iraq's deteriorating position on the southern front. Do

you recall that?

"Secretary SHULTZ. Well, I referred to a reassessment, and perhaps that is the one.

"Mr. NUNN. Well, I think in terms of the duty of the National Security Adviser, would you believe that the National Security Adviser would have a duty to at least alert the President of the United States before he signs a finding on something like that, this important, that there was more than one view, at least within the government?

"Secretary SHULTZ. In the case of this reassessment, it was an intelligence estimate. That is, it had been examined by not only the CIA, but the various other intelligence groups around the government. They do this periodically, as you know, and make an assessment of a given situation and put forward a view, and the view that I indicated was, I believe, the view, and there were no footnotes to it.

"So, it wasn't as though there were variations from the one that you read it. That was not in accord with a rather uniformly held view in the intelligence community at the time.

"Mr. NUNN. Well, does it--

"Secretary SHULTZ. I should say I think that is true in the sense of the literal dates. I don't have in my mind the date in which th[is] reassessment was issued in comparison with the date of this memorandum.

"Mr. NUNN. Well, do you find it surprising that Admiral Poindexter testified that he and Director Casey believed that the Iranian position was deteriorating [see 86/01/17-215] and that is what they informed the President?

"Secretary SHULTZ. My opinion is that that was not an accurate appraisal of the situation, so I am surprised that that would be put forward to the President, and I don't know that it was other than what you read to me."

(Shultz Testim., JHICI, 7/24/87, at 165-66. On U.S. policy on the Iran-Iraq war, see below entries starting at 86/11/10-116. See Ledeen, Senate Dep., 9/10/87, at 46-50 [assessment of the sides' relative strengths in the Iran-Iraq war].)

86/01/17-250
JANUARY 17,
1986

COVER MEMO FOR THE 1/17/86 FINDING: THE IRAN-IRAQ WAR

WEINBERGER ACCOUNT:

"Mr. EGGLESTON. . . . [A]bout half way down the very first paragraph [of the cover memo for the 1/17/86 Finding] . . . it reads as follows: 'The Israelis are very concerned that Iran's deteriorating position in the war with Iraq'--I want to ask you about that concept. Was it the view of the Department of Defense that Iran had a deteriorating position in the war with Iraq?

"Secretary WEINBERGER. No, quite to the contrary, it wasn't my position or anybody's opinion that I talked to.

"Mr. EGGLESTON. Were you consulted during this period about the relative positions of the Iranians and the Iraqis in the war?

"Secretary WEINBERGER. No.

"Mr. EGGLESTON. Do you know whether the President was advised that there was a contrary

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			view to the one that is expressed in this memo? "Secretary WEINBERGER. I don't know that. I never saw this memo to the President, never had a chance to respond to it, but I certainly did not have the view that Iraq was winning or anything of that kind. Quite the contrary. As a matter of fact, it was basically Iraqi military strategy not to pursue any kind of decisive military end to that. "They have been trying to get a cease-fire and trying to get the war ended by negotiation. They have specifically eschewed the idea of a military victory as far as I can tell. "Mr. EGGLESTON. So if you had been consulted at that time, you would have advised the President that you disagreed with that Israeli view? "Secretary WEINBERGER. In the strongest possible terms. "Mr. EGGLESTON. To the extent the President relied upon that concept and decided to go forward, that in your view was simply an erroneous assumption on their part? "Secretary WEINBERGER. Yes." (Weinberger Testim., JHICI, 7/31/87, at 127-28; JHICI Ex. CWW 20 [= Ex. JMP 28; cover memo for the 1/17/86 Finding, from Poindexter to the President, 1/17/86].)
86/01/17-255 1984-86			THE IRAN-IRAQ WAR: CIA VIEW GEORGE ACCOUNT: "Mr. George. Let me take the war effort first. My Director is not the purveyor of finished intelligence to the community, as we call

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			it, read the President and his men. My Director, however, is a collector of intelligence on the situation in that war [redacted.] There is no doubt in my mind, nor was there any doubt in the policy makers' minds in '84, '85 and '86 that the country that was in danger was Iraq. The belief was that Iran held the superior manpower and the ability to last longer [redacted.] "And at no time was I told by the White House, the State Department, the Defense Department, the Director of CIA or anyone else [redacted] that their opinion was anything other than Iraq was the weaker party in the war. "Mr. Courter. Do you have any idea where the President might have received this type of information? "Mr. George. From the press and from your hearings, I know of what you speak -- I do not know. If he was being told that the Iranians were in trouble, maybe -- I do not pretend to be the ultimate judge of the war, [redacted.]" (George Testim., JHICI, 8/6/87, at 82-84. See id. at 141-42.)
86/01/17-270 JANUARY 17, 1986			THE 1/17/86 FINDING AND THE ATTORNEY GENERAL'S INVOLVEMENT SHULTZ ACCOUNT, Part 1: "Mr. RODINO. . . . Mr. Secretary, on the occasion of your January 17 meeting, I believe that you made your views strongly known that the Iranian arms sale proposal was both unwise and illegal, and there was no doubt that you gave this statement and hoped, however, that together with

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			that, that you might have been brought into the process, and you have testified the other day that under the normal way that a finding is produced, both legal and policy people look at it, the State Department, the Defense Department, and the Attorney General as the chief law enforcement officer. "Let me ask you this: The Attorney General, did he participate in providing legal advice which you considered improper, unlawful? "Secretary SHULTZ. No. As far as I can see, and as I have testified, I didn't take part in meetings about that finding. But nevertheless, the Attorney General was apparently part of that process, and the finding that was produced was on its face a perfectly good document. "Mr. RODINO. Well, did he provide-- "Secretary SHULTZ. To render a decision about it, or give a legal opinion about it, that is not for me to do. As far as I can see-- "Mr. RODINO. I asked whether or not he did give a legal opinion, because you stated that you considered that illegal and unwise. "Secretary SHULTZ. I was not commenting about a finding, because I didn't know there was one. I was commenting on the general structure, and I was making a layman's point that it seemed to me there were legal problems connected with it which we have reviewed, the Arms Export Control Act. "Mr. RODINO. Well, wouldn't a finding-- "Secretary SHULTZ. And of course, if I had been told in that meeting that a finding had been produced that satisfies that problem and the

Attorney General has so ruled, I wouldn't have made the argument I made.

"So I guess about all that shows was that I wasn't aware of the finding.

"Mr. RODINO. But wouldn't a finding have been predicated on something you considered totally illegal and unwise in the first place, and therefore wouldn't the finding be flawed and wouldn't you be interested in finding out whether or not there was a legal basis for that finding?

"Secretary SHULTZ. Well, as I understand it, this is after the fact as people have given the legal reasoning of this finding, that it is a proper conclusion under the circumstances or proper legal finding that the finding under the, whatever it is, the Intelligence Act I guess it is, would make these arms sales legal, even though i[f] it were just the Arms Export Control Act, they wouldn't be legal.

"That is, as I understand it. Now, if we are going to get into a legal argument, I think I will bow out, but this is--

"Mr. RODINO. I don't want to--

"Secretary SHULTZ. This is the way the argument structures itself, as I understand it, and it is a perfectly good argument, and I think, as it has been recounted to me, goes back to a ruling made or an opinion given by the Attorney General back in 1981, a different Attorney General than Attorney General Meese.

"Mr. RODINO. Are you saying, Mr. Secretary, or do I understand you correctly that Attorney General Meese did give you his opinion as to

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			whether the finding was legal? "Secretary SHULTZ. What I recounted to you was, A, what I got from discussion of this finding subsequent to all of this as the fact of the finding came out and as the nature of the finding was explained. "This is not something that I went through at the time, because I wasn't involved in the development of the finding. I didn't know about it. But since that time, as it has come to light, and we have had discussions, the legal theory, I guess you would say, of the finding has been explained and I guess it is solid, as I understand it. "But you, in this, need somebody other than me to talk about the legalities." (Shultz Testim., JHICI, 7/24/87, at 103-06.)
86/01/17-271 JANUARY 17, 1986			THE 1/17/86 FINDING AND THE ATTORNEY GENERAL'S INVOLVEMENT SHULTZ ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. RODINO. Well, wasn't the normal way as you testified yesterday that you [would] be brought in as the Secretary of State, into the process of producing a finding? "Secretary SHULTZ. That is a different question and I think that the right way to produce a finding is that the relevant--the agencies that are--certainly the ones who are statutory members of the National Security Council, and obviously the intelligence agencies, since they are going to be the operative in the covert action, consider

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			both the policy side and the legal side of the action, and each department has its legal advisor or general counsel, and people to consider the policy side, and those things are developed, and then it is put before the President and people say whatever they have to say about it and the President decides. That is the process. That process wasn't followed in this case. "Mr. RODINO. In other words-- "Secretary SHULTZ. That doesn't make the finding illegal. "Mr. RODINO. In other words, you were cut out of the process at that point? "Secretary SHULTZ. Yes. "Mr. RODINO. Let me ask you, Mr. Secretary-- "Secretary SHULTZ. At least that is the way it seemed to me. I guess Admiral Poindexter has testified otherwise, but I certainly had no knowledge of that finding." (Shultz Testim., JHICI, 7/24/87, at 107-08.)
86/01/17-285 JANUARY 17, 1986			THE 1/17/86 FINDING SECORD ACCOUNT: Meeting in the White House Situation Room. Attending: CIA General Counsel Sporkin, plus 1 or 2 CIA staff attorneys; CIA DDO Clair George; CIA Chief or Deputy of the Near East Section; North; Cmdr. Thompson (a lawyer); [Poindexter?]; and Secord. Secord testified on 5/6/87 that the group had gathered to discuss "[t]he financing [sic], the presidential financing, the order initiating this covert action. . . . I don't think the financing

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			was signed when I saw it . . . which is why I put the meeting on or before the 17th, because it was signed on the 17th." [N.b. JHICI transcript for 5/6/87 records both Secord and John Nields referring to a "financing," not a "finding."] "Mr. NIELDS. Were there legal issues that were discussed at this meeting? "Mr. SECORD. Yes. Whether or not to notify the Congress and how it would be done, and when it would be done. It was discussed that there was legal precedent for delaying notification. . . . Additionally, it was decided that the United States--this was a very important point--the United States would have to directly ship the weapons rather than taking them from Israeli stocks. . . . [I]t was decided by the lawyers that the Economy Act would have to be utilized whereby one agency in the U.S. Government can purchase from another agency, and so, the plan was for the CIA to buy the materials from the Defense Department stocks, and then to sell them to my organization which in turn would sell them to Ghorbanifar, who in turn would sell them to Iran. That was the plan, and that is the way the plan was executed for the first several transactions. "Mr. NIELDS. Just to be certain, as the plan was discussed, did the Israelis have any part in it at all? "Mr. SECORD. Sure, it was a joint venture, if you will. The Israelis were to provide the base from which to ship, a secure base, and they were also to provide cover. It was planned that part of the cover for this operation would be that if

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			it were discovered that the Israelis could take the hit, if you will." (Secord Testim., JHICI, 5/6/87, at 30-35 [giving date as Feb. 16, but Secord later (at 138) speaks of January], 125-26, 138; see also id., 5/7/87, at 225 [date Jan. 17, 1986]; id., 5/8/87, at 250-55 [date Jan. 17, 1986].)
86/01/17-286 JANUARY 17, 1986			THE IRAN INITIATIVE: NIR ROLE SECORD ACCOUNT: After the meeting on the Presidential Finding, North tells Secord that Amiram Nir from the Prime Minister's office in Israel has been put in charge of the Israeli operations with regard to Iran. (Secord Testim., JHICI, 5/6/87, at 41.)
86/01/17-290 EARLY TO MID-JANUARY 1986			THE IRAN INITIATIVE: THE ISSUE OF CONGRESSIONAL NOTIFICATION AND THE 1/17/86 FINDING MEESE ACCOUNT, Part 1: "Mr. NIELDS. At any of the meetings in January of 1986 did anyone point out the advantage of consultation notice to Congress? "Attorney General MEESE. I don't recall anyone pointing out the advantage of consultation with Congress or notification of Congress. It could possibly have been raised by someone on the 7th, but I certainly don't remember it. I think I said in my opening statement that there was no one who was arguing for notification. I don't remember anyone. "Mr. NIELDS. No one, for example, argued either that it would be helpful to get input from

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			congressional leaders or that it would be helpful if the project failed to have some congressional support behind you? "Attorney General MEESE. Not that I recall, Mr. Nields. Actually, the notification of Congress was a very brief part of the meeting on the 7th. The principal discussion at the meeting on the 7th was whether this should be done at all and there was a rather heated discussion of that in which I only had a very minor part. "It was primarily conducted on the one side by Secretary Shultz and Secretary Weinberger and on the other side by Admiral Poindexter and Director Casey. "Mr. NIELDS. Was this discussed as a U.S. Government proposal or an Israeli Government proposal that the U.S. was agreeing to or participating in? "Attorney General MEESE. My best recollection was that they had talked about a the--that Israel had made suggestions about this initiative, and indeed, I believe that someone, a representative from Israel, had visited with Admiral Poindexter just a few days before. ". . . . "Attorney General MEESE. . . . I see there that [Ex. EM 9] starts out by saying--by the way, this is a memorandum from Admiral Poindexter to the President attaching the covert action finding regarding Iran, and it starts out by saying that Prime Minister Peres of Israel secretly dispatched his special advisor on terrorism with instructions to propose a plan by which Israel, with limited

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			assistance from the U.S., can create conditions to help bring about a more moderate government in Iran. "So it does certainly verify that point. "Mr. NIELDS. Is that consistent with your recollection of how the project was briefed to you at the time. "Attorney General MEESE. Yes, sir, it is, and I am looking now at Exhibit [EM] 7, which talks about cove[r]t action finding regarding Iran, which appears to be a similar document. "Mr. NIELDS. That document, I should say, is dated the 4th of January, and is believed to relate to the finding which was signed on the 6th of January. "Exhibit [EM] 7, which is the one dated January 4th, describes a proposal pursuant to which Israel would ship weapons from its stocks which would later be replenished by the U.S." (Meese Testim., JHICI, 7/28/87, at 31-33; JHICI Exx. EM 7 [North memo to Poindexter, 1/4/86, with 1/6/86 Finding], EM 9 [cover memo for 1/17/86 Finding, from Poindexter to the President].)
86/01/17-291 EARLY TO MID-JANUARY 1986			THE IRAN INITIATIVE: THE ISSUE OF CONGRESSIONAL NOTIFICATION AND THE 1/17/86 FINDING MEESE ACCOUNT, Part 2: [Nields' question continues from preceding entry:] "[Mr. NIELDS.] The Exhibit [EM] 9, which is the cover memo for the January 17th finding, describes instead a transaction pursuant to which the U.S. would ship its weapons directly to Iran,

and it places the change on legal grounds. I might read it, it is at the bottom of page 1 of Exhibit 9, and it says 'we have researched the legal problems of Israel selling U.S.-manufactured arms to Iran. Because of the requirement in U.S. law for recipients of U.S. arms to notify the U.S. Government of transfers to their countries, I do not recommend that you agree with the specific details of the Israeli plan.[]

"[']However, there is another possibility,['] and it makes references to the opinion of Attorney General Smith that you referred to earlier, and states that [']the objectives of the Israeli plan could be met if the CIA using an authorized agent as necessary purchased arms from the Department of Defense under the Economy Act and then transferred them to Iran directly after receiving appropriate payment from Iran.[']

"And I guess my question to you is, were you consulted on the legal issues raised by Israel selling stocks followed by replenishment as compared with direct sales from the U.S. to Iran?

"Attorney Genreal MEESE. I believe there was a discussion of that in which I participated at the time that we were looking over the finding, possibly on the 16th of January. I do remember that at the meeting on the 7th of January, my best recollection is that Bill Casey said to me, you remember Bill Smith's memorandum in--and I don't know whether he gave the exact date, which was in 1981 or some years earlier, authorizing CIA to transfer weapons under the National Security Act and I did remember that because I had been present during a rather lengthy discussion of that at the National Security Council and I indicated that I did.

"This was really the basis for the discussion. I believe Secretary Weinberger at the meeting on the 7th said that he wanted to check that out with his general counsel that this could be done through the National Security Act rather than the Arms Export Control Act.

"My recollection is that either while I was there or separately he had provided the information to Admiral Poindexter that his General Counsel was satisfied that the National Security Act could be used and there was at least a brief discussion in my presence in Admiral Poindexter's office on some occasion, I think it was the 16th, in which a variety of different modes of transfer were discussed.

"One was the Israeli proposal of the Israelis transferring their weapons and our government replenishing their supply.

"A second method was to go through an international arms dealer in which the Israelis would not be involved directly; and a third option was to have the CIA transfer the weapons directly to Iran or through Israel, but where CIA would be the principal entity doing it as is set forth here in Exhibit [EM] 9.

"I believe that the recommendation of the CIA General Counsel was that that be the method that would be used. Certainly I agreed based upon Mr. Smith's memorandum which incorporated an original opinion that had been established by the State

Department and with which the Department of Justice concurred in 1981 in another matter.

"Mr. NIELDS. I think I understand, but I want to make certain. The committee has heard testimony from various sources, General Counsel Sporkin, some people from the Defense Department and other testimony that there would be problems raised, legal problems raised if the Israelis transferred weapons that they had earlier purchased under the Arms Export Control Act, and that it was a cleaner and more appropriately legal way to do it, to simply transfer directly f[ro]m the U.S. to Iran pursuant to an intelligence finding.

"Attorney General MEESE. Yes.

"Mr. NIELDS. Did you concur with that judgment at the time?

"Attorney General MEESE. Right. Let me amend by saying pursuant to an intelligence finding and through the provisions of the National Security Act, and I did concur with that, yes.

"Mr. NIELDS. I take it from your opening statement that you were pretty much not in the loop, so to speak, from the time this finding was signed on 17 January until the publicity that arose in the November 1986 period?

"Attorney General MEESE. That is correct." (Meese Testim., JHICI, 7/28/87, at 34-37; JHICI Ex. EM 9 [cover memo for the 1/17/86 Finding, from Poindexter to the President].)

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JANUARY

GHORBANIFAR: CIA REFUSAL TO DO BUSINESS,
AND THE 1/17/86 FINDING

16-18, 1986

GEORGE ACCOUNT:

"Mr. Kerr. You have reached the conclusion Mr. Ghorbanifar continues to be someone you don't want to do business with?

"Mr. George. That is correct.

"Mr. Kerr. And on J[anua]ry 16 or 17, you all put out a notice, the Operations Directorate, put out a notice that says the CIA is going to do no further business with Mr. Ghorbanifar?

"Mr. George. That is correct.

"Mr. Kerr. All right. We also know that that very day --

"Mr. George. That is correct.

"Mr. Kerr. -- the President of the United States signed a finding that required you to do business with Ghorbanifar?

"Mr. George. On the 18th after having sent a cable, we will do no more business with Mr. Ghorbanifar, I was taken to the White House and given a finding which in its practical sense said you will be doing business with Mr. Ghorbanifar.

"Mr. Kerr. Now, as of the information you learned after the finding was signed, January 18, that period of time, do you today have any knowledge as to whether the President of the United States had been given the benefit of the analysis that your people did have [sic (of)] Mr. Ghorbanifar as of that time?

"Mr. George. I do not know."

(George Testim., JHICI, 8/6/87, at 19-20.)

86/01/17-300
JANUARY 17,

THE IRAN INITIATIVE: SECORD'S ROLE AS OF 1/17/86
NORTH ACCOUNT:

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1986			"Mr. NIELDS. . . . I would like to turn back again to Exhibit 60, which is the finding, the memorandum and the finding of January 17. On the second page at the top it states, 'The objectives of the Israeli plan could be met if the CIA, using an authorized agent as necessary, purchased arms from the Department of Defense under the Economy Act and then transferred them to Iran directly after receiving a prompt payment from Iran.' " . . . . "Mr. NIELDS. Who is the authorized agent? "Mr. NORTH. By that time, it was General Secord. "Mr. NIELDS. So General Secord was acting in connection with the Iranian Initiative as an agent of the United States Government? "Mr. NORTH. I am not sure that 'agent of' is the correct--and I am not trying to split legal hairs. The purpose was to have, as I understood it, what Director Casey wanted was a plausible deniability separation that the CIA would not be directly face to face with the Iranians or the Israelis, and what we basically did was to mirror what the Israelis had done the previous year. "The Israelis had set up a non-government agent in the case of Mr. Schwimmer, Mr. Ledeen, and Mr. Ghorbanifar to carry out their transactions, and basically what we were doing is really indicating in mirror image their organization. We had weapons being sold by the Pentagon under the Economy Act to the CIA, and the CIA selling them to a third party or an agent, in the case of General Secord, who would then

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			complete the transaction. So that there were, if you will, cutouts or compartments in the action." (North Testim., JHICI, 7/8/87, at 28-29. See Secord Testim., JHICI, 5/6/87, at 36-40; id., 5/7/87, at 52-58 [Secord on being a "commercial cutout"].)
86/01/17-303 JANUARY 17, 1986		DIVERSION: WHETHER A FINDING EXISTED POINDEXTER ACCOUNT: "Mr. LIMAN. Admiral, is it a fact, sir, that the finding on Iran did not authorize the use of any of the proceeds for support of the contras? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. And is it also a fact that whatever findings existed with respect to support for the Nicaraguan Resistance did not authorize the use of the proceeds of the sale of Iranian arms to assist the contras? "Mr. POINDEXTER. That is correct. But you are--well, that is correct." (Poindexter Testim., JHICI, 7/15/87, at 122-26.) See col. 3.	COVER MEMO FOR THE 1/17/86 FINDING, AND SECORD'S ROLE POINDEXTER ACCOUNT: "Mr. LIMAN. Now, you testified that when Colonel North first told you about this and sought your approval, in your own mind you viewed that you could characterize this [use of the proceeds of the Iran arms sales] as a private donation or as a contribution from a third country. Remember that? "Mr. POINDEXTER. Yes, that was my thinking at the time. "Mr. LIMAN. Now, if it were viewed as a contribution from a private donor, who would that donor have been? "Mr. POINDEXTER. It would have been General Secord. "Mr. LIMAN. Did you not regard General Secord as acting as the agent for the CIA in this transaction? "Mr. POINDEXTER. No, I didn't. When the January 17 finding was drafted, we specifically provided the latitude to Director Casey, and he was the one to whom the finding was directed. We provided the latitude to him that he could use private third parties.

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			"Mr. LIMAN. Do you recall that . . . your . . . memorandum to the President on that referred to the fact that the CIA could, acting through agents, do this? "Mr. POINDEXTER. That was a loose construction of--for lack of a better word--a description of a private third party. "Mr. LIMAN. Now, Admiral, if you viewed this as a contribution from a third country, it would have been from Iran. "Mr. POINDEXTER. That is correct. "Mr. LIMAN. However you viewed it, is it a fact that you understood that the proceeds that were being used were generated by the sale of arms that came from the Department of Defense and transferred to the CIA? "Mr. POINDEXTER. Yes, I understood that. "Mr. LIMAN. And that they were arms that were being transferred pursuant to a finding? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. And that this indeed was an initiative that was being conducted pursuant to a finding? "Mr. POINDEXTER. Yes. "Mr. LIMAN. And you understood that that finding set forth the purpose of the covert activity, correct? "Mr. POINDEXTER. Yes. I was careful to make sure that we had all those in that finding. "Mr. LIMAN. And the reason that you were careful is that covert activity in this country is conducted pursuant to Presidential authorizations. Is that fair to say?

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			"Mr. POINDEXTER. This gets rather complex, Mr. Liman, because the term 'covert activity' is loose terminology. . . . ". . . . "Mr. LIMAN. Admiral, is it a fact, sir, that the finding on Iran did not authorize the use of any of the proceeds for support of the contras? "Mr. POINDEXTER. That is correct. "Mr. LIMAN. And is it also a fact that whatever findings existed with respect to support for the Nicaraguan Resistance did not authorize the use of the proceeds of the sale of Iranian arms to assist the contras? "Mr. POINDEXTER. That is correct. But you are--well, that is correct." (Poindexter Testim., JHICI, 7/15/87, at 122-26. See id., 7/15/87, at 127-28 [Asked whether he was aware of any Finding that authorized him to divert the proceeds of the Iran arms sales to support the Contras, Poindexter testified, "There was no such finding. In my view, none was required."].)
86/01/17-310 JANUARY 17, 1986			THE IRAN INITIATIVE: SECORD'S ROLE NORTH ACCOUNT: "Mr. VAN CLEVE. . . . [T]he mechanism used for the creation of the diversion of funds to the contras, or the residual, as you termed it, was that arms would be sold to Richard Secord and then Richard Secord would sell them in turn to Iran; is that correct? "Mr. NORTH. That is correct. "Mr. VAN CLEVE. Why was Richard Secord used as a middleman for these transactions?

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			"Mr. NORTH. Well, we tried to establish a mirror image of what the Israelis had done in their earlier transactions, first of all. "Second of all, we were trying to provide a plausibly deniable link directly back to the U.S. Government; and it was accepted that he could provide that kind of deniability. The effort was made, in other words, that the hand of the Government of the United States was not showing in this action. "You are talking about in the transaction itself or in the use of the residuals? "Mr. VAN CLEVE. The transaction itself. "Mr. NORTH. That is why he was put in that position. "Mr. VAN CLEVE. Is it your testimony that no other individual could have fulfilled that role? "Mr. NORTH. Not at all. If you wanted a plausibly deniable link, we could have used any number of people who are outside the U.S. Government. The fact is, he had been brought into this thing in November when I had basically sought him for assistance in the Israeli Hawk transfer. And since he was already there, the decision was made to leave him in it because he was now aware of something that was going on that was very, very sensitive. There was no point in broadening it further than we had to." (North Testim., JHICI, 7/9/87, at 77-78.)
86/01/17-312 NOVEMBER 1985 AND JANUARY			SECORD AND LAKE RESOURCES: POINDEXTER'S AWARENESS POINDEXTER DEPOSITION ACCOUNT:

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1986			"I can't recall the first time that I became aware of Lake Resources. [November 1985] could very well have been the first time. "I don't recall questioning Colonel North as to exactly what the company structures were or who the owners were. I clearly knew that Lake Resources was involved in supporting the contras in Central America. "I also knew they were involved in the Iranian project, because when we were working on the finding that resulted in the 17 January finding, it was clear to me that Bill Casey was going to use a private agent as the method of selling the arms to the Iranians and I can't recall recommending to Director Casey that he use General Secord. I was aware that he was going to use General Secord. But as far as I was concerned, that was his decision. I certainly endorsed it. "As I told you before, I had great respect for General Secord. He had demonstrated over the months prior to that his effectiveness in carrying out the support of the contras." (Poindexter, Senate Dep., 5/2/87, at 96.)
86/01/17-315 DURING 1986		MECHANICS OF THE DIVERSION, AND SECORD'S ROLE POINDEXTER DEPOSITION ACCOUNT: See col. 3.	MECHANICS OF THE DIVERSION, AND SECORD'S ROLE POINDEXTER DEPOSITION ACCOUNT: "Q. Did North tell you the mechanics by which this money [from the Iran arms transactions] would be channeled [to the Contras]? "A. Not when he first raised it. "Q. At any time? "A. At some point after that, I think I became aware that at least in general terms, that

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			money was -- the money was going from the Iranians to the Israelis, thence to an account that Secord had control of, and then a portion of that would go to a CIA account, which the CIA would then use to pay the Defense Department. I had a general understanding of that. "Q. And the balance? "A. The balance would be used to support the contras. "Q. You understood -- "A. Now, I did not know, for example, that Khashoggi was involved in the bridge financing, so to speak. "Q. Did you know that Secord was privy to the fact the money would be used for the contras? "A. Oh, that Secord was privy to that? "Q. Yes. "A. Yes. Absolutely. In fact, I thought Dick was engineering this. "Q. Why did you think that? "A. Because of what Colonel North told me. "Q. What did he say about that? "A. I can't remember exact conversations. But I certainly -- you know, I left office with that assumption. "Q. When you left office, did you believe that all of the profits of this transaction had been channeled to the contras? "A. That's correct. I didn't have any reason to believe otherwise. "Q. Am I correct that it would come as a surprise to you if a substantial portion of that money was in effect profit?

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"A. You mean personal profit?

"Q. Or profit to the Lake enterprise?

"A. That would be surprising.

"Q. Would it be surprising in part because you were told -- I think you testified to this from time to time that Secord was losing money, and needed money?

"A. It would still be surprising.

"Q. North told you that Secord wasn't making money out of this?

"A. I don't recall that Colonel North specifically told me that. I do recall conversations in which he said that he felt that Dick was losing money.

"Q. That's the same.

"A. Yes.

"Q. Did he tell you that he was in debt as a result of this?

"A. I don't believe so.

". . . .

"MR. BECKLER: I just had an observation to make. Maybe it's total linguistics. It's possible that Secord could be losing money and making money on this, but still losing money.

"MR. LIMAN: Richard, that's possible. I'm not trying to, you know, get him to that kind of linguistics thing. I am trying to get the Admiral's memory of this.

"There are documents which he will have an opportunity to look at. But we are going to try to finish without much more ado."
(Poindexter, Senate Dep., 5/2/87, at 184-86.)

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86/01/17-330 AFTER JANUARY 17, 1986			SECORD'S ROLE: HIS RISKS NORTH ACCOUNT: "Mr. VAN CLEVE. What financial risks did General Secord take in these transactions? "Mr. NORTH. You would have to ask General Secord specifically, but there obviously was a risk that you could lose someone else's aircraft since we were using borrowed uninsured airplanes. "There was always a requirement that we had to insure every aircraft that--what I call self-insuror, what Langley refers to as self-insurance. The expectations of [sic; expectation is if (?)] the aircraft is lost, it belongs to someone else, it has to be paid for. That is one example, dealt gratuities to pilots who were Americans, even though the aircraft belonged to other countries, the pilots were always American. [Sic.] "Mr. VAN CLEVE. What would have happened if the weapons themselves had been lost in transit? Whose problem was that? "Mr. NORTH. Well, it was certainly, let us say, under the very worst of circumstances, the aircraft went down with everything aboard, and there were no survivors. "It would have been the commercial entity which had actually done the charter work, which was one of General Secord's private commercial activities, which would have had to defray all of those expenses. "Mr. VAN CLEVE. Including the value of the weapons, is that your testimony?

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			"Mr. NORTH. Yes. Because furthermore, the weapons had already been paid for to the United States. Before we ever took possession or before General Secord ever took possession of a single part or TOW, the government was paid for those items. ". . . . "Mr. VAN CLEVE. . . . I mean specifically the Iranian arms sales that occurred in February, May and October 1986, what other types of financial entrepreneurial risks did General Secord bear in those transactions, if any? "Mr. NORTH. Some of them had to be opened and closed or put back on the shelf. All of that ended up costing money. We ended up buying a ship for support of this activity, and several others. There were costs to be borne by, as I understood it, in dealing with the Iranians themselves. [Sic.] "There were people accepting monies, I heard one of them ask specifically to Ghorbanifar an account be established for him, an Iranian Government official, and I know those arrangements were being made for others. "Mr. VAN CLEVE. Are we talking about substantial amounts of money? "Mr. NORTH. I do not know the amounts. I believe them to be substantial. "Mr. VAN CLEVE. Any other risks General Secord bore, financial entrepreneurial risks in these transactions? "Mr. NORTH. Off the top of my head, I can't think of any right now."

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			(North Testim., JHICI, 7/9/87, at 81-83.)
86/01/17-350 AFTER JANUARY 17, 1986			THE 1/17/86 FINDING, THE IRAN INITIATIVE, AND SECORD'S ROLE

POINDEXTER ACCOUNT, Part 1:

"Mr. RUDMAN. I want to turn to another subject. I want to talk about the diversion itself. I would just ask you a few questions about that to see if we have a correct understanding of these.

"I believe what I am going to state to you is our impression on this committee from all the witnesses. I want to see if you agree with this.

"I have read your deposition. I would just ask you these questions.

"Do you think it is correct to state that, to your knowledge, each transaction that involved the sale of arms to Iran in 1986 was specifically approved by an official of the United States Government and was an extension of official United States Government policy?

"Mr. POINDEXTER. Clearly the finding expressed U.S. Government policy.

"Mr. RUDMAN. All right.

"Mr. POINDEXTER. And, indeed, the President did specifically approve each of those transactions.

"The finding also gave deliberately the Director of Central Intelligence the flexibility to use private parties in carrying out the plan.

"Mr. RUDMAN. I think that answers my question. I have some follow-ups.

"Is it correct, within your knowledge, that the ultimate purchaser of the weapons--Iran--was designated by the United States Government to receive those weapons and that the intermediaries who handled it for you--General Secord, et al.--had no discretion at all as to whom they would sell the weapons to?

"Mr. POINDEXTER. That probably requires a legal analysis to answer. I'm not sure--

"Mr. RUDMAN. I am not asking for a legal opinion; I just want to know is that your view, that General Secord could not have sold them to Korea or West Germany or Libya, that he had to sell them to Iran, that is what he was tasked to do?

"That is my question, not whether he had a legal obligation to do it.

"Mr. POINDEXTER. I certainly would have expected General Secord to sell the weapons to Iran. The exact legal issues involved, in terms of the titles to the equipment and what he might legally have been entitled to, I don't know the answer to that.

"Mr. RUDMAN. I understand your lawyer's concern. I want to make it very clear that I do not want to ask you legal opinions. We will get to that in a while.

"Mr. POINDEXTER. That was my concern.

"Mr. RUDMAN. So that if General Secord really in his heart of hearts wanted to sell them to Country Six--I think I know Country Six--he shouldn't have done that? You would have been rather shocked if those weapons ended up someplace else? They were supposed to go to Iran?

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			"Mr. BECKLER. Do we know Country Six? "Mr. POINDEXTER. Does it make any difference? "Mr. RUDMAN. Not really. I just thought we used code quite a lot in these hearings, we should not let a day go by without using them today. "Is it correct that in each instance, to your knowledge, U.S. Government officials were aware of the approximate selling price of the weapons to Iran? "Mr. POINDEXTER. By 'selling price,' Senator, you mean the amount the Iranians were paying? "Mr. RUDMAN. Yes. "Mr. POINDEXTER. And whether a U.S. official would have been aware? "Mr. RUDMAN. Yes. Colonel North? "Mr. POINDEXTER. Yes, I am sure Colonel North would have been. "Mr. RUDMAN. That is his testimony. "Mr. POINDEXTER. Right. I was not necessarily aware. "Mr. RUDMAN. I wasn't asking that. I said, 'to your knowledge.' I am trying to be careful about that. I have observed your counsel's sensitivity. I am trying to be mindful of that. "Is it correct, sir, that, to your knowledge, that all non-financial conditions of the arms sales were approved by U.S. officials in advance of each transaction? "Mr. POINDEXTER. Yes, that's correct." (Poindexter Testim., JHICI, 7/17/87, at 152-55.)
86/01/17-351 AFTER JANUARY			THE 1/17/86 FINDING, THE IRAN INITIATIVE, AND SECORD'S ROLE

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17, 1986			POINDEXTER ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. RUDMAN. So I guess, summarizing those four answers, I think it would be fair to conclude--and I have, and you may disagree, and this is my question--that General Secord didn't have any flexibility in the handling of the transaction in terms of how many, how much, when and to whom he could arrange logistics, but in terms of the delivery of these weapons and the reimbursement, that was tightly controlled by the U.S.? "Mr. POINDEXTER. Certainly we gave--the President approved very specific arrangements and conditions. Those were passed to Colonel North, who, in turn, I think, passed them to General Secord for the logistics aspects of it. "Again, what he was legally entitled to do, I am not qualified to answer. "Mr. RUDMAN. Again, I am not asking for your legal opinion. I don't think it is justified to ask you for that. "I guess my question, then, after those four questions is this, Admiral: Answering those questions as you did, and I believe those are, in fact, the uncontroverted facts of this entire transaction, I don't understand on what basis that you stated on Wednesday that General Secord was not an agent of the United States Government for the purposes of these transactions? "I don't use the word 'agent' in any legal sense, Admiral. I just mean that since he was so tightly controlled, he either had to be an agent

or he had to be kind of a free entrepreneur. I don't understand your testimony that he was not an agent. So I would like your answer.

"Mr. POINDEXTER. Well, I guess--and I thought I made it clear--that agent was not being used in any sort of legal sense. He was not a government employee. He was a private businessman who was doing things that we were asking him to do. So he, just as other businessmen, periodically do things that the U.S. Government asked them to do. [Sic.]

"Mr. RUDMAN. Well, I would point out, Admiral, that I don't have any problem with your answer. It doesn't contradict my understanding.

"I would point out we have to rely on the written record for something, even though I would agree with you that some written records are more important than others. Some contemporaneous writings are probably not as accurate a year later as you would like them to be. That is the record.

"If you look at Exhibit [JMP] 25, Exhibit 25 is a PROF note from Oliver North, subject 'Blank Check.' [See entries starting at 86/01/15-140.]

"Mr. POINDEXTER. Could I clarify what 'blank check' means? Is that pertinent to your question?

"Mr. RUDMAN. Oh, you are free to answer. Yes. Of course.

"Mr. POINDEXTER. That was simply the subject line of a PROFS note that I sent Colonel North back in August of 1985 that allowed him to reply to me directly. Otherwise staff officers that were sending PROFS notes to me, those messages were intercepted by the executive secretary.

"Mr. RUDMAN. I see. Would you agree with me in retrospect that was probably a poor choice of names?

"Mr. POINDEXTER. It was a poor choice of names.

"Mr. RUDMAN. On that note, on that PROF note about six or seven lines down appears this sentence--or seven or eight lines down. 'He did not see any particular problem with asking [sic (exhibit reads "making")] Copp'--that was Secord--'an agent for the CIA in this endeavor, but he is concerned that Cap'--et cetera, et cetera.

"Here Secord is described in a PROF note as an agent of the CIA.

"After you look at that one, turn to Exhibit [JMP] 28, page 2. [See entries starting at 86/01/17-100.]

"Mr. POINDEXTER. Page 2?

"Mr. RUDMAN. Twenty-eight, page 2 of Exhibit 28, which is a memorandum for the President from you, 'Covert Action Finding Regarding Iran.'

"Page 2. And the first paragraph on page 2, about the middle, 'The objectives of the Israeli plan could be met if the CIA, using authorized agent as necessary, purchased arms from DOD under the Economy Act and then transferred them to Iran directly after receiving appropriate payment from Iran,' again describing an agent of the government, which, of course, we all know without violating classified information is the way in many covert operations things are carried out; is that not correct, Admiral?

"Mr. POINDEXTER. Yes; that's correct." (Poindexter Testim., JHICI, 7/17/87, at 155-58; JHICI Exx. JMP 25 [North PROF to Poindexter, 1/15/86], JMP 28 [Poindexter memo to the President, "Covert Action Finding on Iran," cover memo for the 1/17/86 Finding]. See 85/12/04-250 [Poindexter on logistics of the Iran arms transactions].)

86/01/17-352
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THE 1/17/86 FINDING, THE IRAN INITIATIVE, AND SECORD'S ROLE
POINDEXTER ACCOUNT, Part 3:

[Continuing from preceding entry:]

"Mr. RUDMAN. All right.

"Now, the reason I ask these questions is because I want your view about something. Obviously you cannot be held accountable for what people did without your specific authority. I will ask you flat out that I assume that you never intended for anybody to profit from this transaction.

"Mr. POINDEXTER. I've testified to that already.

"Mr. RUDMAN. Yes, you have, sir. I am not alleging now that anybody did or didn't. That's not up to us. Somebody else will determine that sometime.

"But my point is that we do have some interesting statutes on the books about U.S. assets and the proceeds from them. I don't want to get engaged in them because your counsel will have to read them to make sure I'm construing them right. So we don't have to waste time with miscellaneous issues.

"But it seems to me--and I want to ask whether or not you agree with this or not--that since Secord was described as an agent in every document that I have found reference to him, since your understanding in answer to my first questions is the same as other witnesses' understanding as to his flexibility, that whatever proceeds remained from that, only one entity has a right to determine their disposition, and that is the United States Government. Is that your understanding?

"Mr. POINDEXTER. I think that I certainly felt that we had a significant say-so in--as to where those proceeds' residuals would go. Again, whether General Secord could legally have done something else with them, I think is another matter.

"Mr. RUDMAN. All right.

"I would just say parenthetically that in terms, and I am not talking about criminal statutes, I am talking about general statutes of the United States, for the record, Mr. Chairman, 31 U.S. Code 3302(b) which is the miscellaneous receipt of money statute, the Anti-Deficien[cy] Act, which is [31] U.S. Code 1341, are rather specific on what happens to money that flows from the use of United States assets. I say that for the record because I think your answer is the answer that I had hoped for and an answer that I can agree with."

(Poindexter Testim., JHICI, 7/17/87, at 158-60.)

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86/01/17-355 JULY 20, 1987	SECORD'S CONNECTION WITH THE NSC AND CIA POINDEXTER ACCOUNT: "Mr. FASCELL. Did the NSC have a contract with General Secord? "Mr. POINDEXTER. Not to my knowledge. "Mr. FASCELL. Do you know if the CIA had a contract with General Secord? "Mr. POINDEXTER. I don't believe they did, but I'm not absolutely certain of that." (Poindexter Testim., JHICI, 7/20/87, at 87.)		
86/01/17-500 NOVEMBER 17, 1985 - JANUARY 17, 1986			THE IRAN INITIATIVE: LEGAL CONSIDERATIONS NORTH ACCOUNT: "Mr. VAN CLEVE. November 17, 1985 and January 17, 1986. You described a process . . . in which there were extensive consultations between yourself, the Department of Defense, the CIA, in an effort to make sure that the future sales in fact complied with the law. "Mr. NORTH. That is indeed correct. "Mr. VAN CLEVE. Did it ever occur to you at the time that anyone might later suggest that since the weapons were United States weapons, the proceeds of the sales were United States funds? "Mr. NORTH. Never. "Mr. VAN CLEVE. It never occurred to anyone involved in the planning of these transactions that might be a problem? "Mr. NORTH. No. And in fact, the specific indication I had, counsel, was that the Government of the United States would charge what it thought it was owed for those weapons, and somehow, there

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			may be a perception I somehow influenced the price downward. "That is not the case. Every effort was made to determine what the proper price should be . . . . "And it was not an issue of replacement value that was ever raised with me. That was never an issue. I was always told here is the current cost or current value of those weapons, that was passed on to the Central Intelligence Agency, who in turn passed it to me. I passed it to General Secord, and that amount was transferred through whosever account, whether it be Israeli, as I first thought, or Ghorbanifar, but eventually to General Secord and then to the CIA and then to the Pentagon. "So, no one ever raised with me the suggestion that there was any more money due the U.S. Government." (North Testim., JHICI, 7/9/87, at 84-85.)
86/01/17-510 1986-1987		DIVERSION: LEGAL CONSIDERATIONS MEESE ACCOUNT: See col. 3.	DIVERSION: LEGAL CONSIDERATIONS MEESE ACCOUNT: "Mr. RUDMAN. I want to turn then to another subject, the whole question of the money in the diversion. Although there is an independent counsel now investigating the criminal aspects of this case, there is some amount of money in some Swiss bank accounts--we estimate $8 million, maybe slightly more--that will be a matter of some contention. I assume it eventually will be a civil matter for the Department of Justice. "I want to just take you through some of

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			Admiral Poindexter's testimony, General Meese. I'm going to--I'm going to summarize it, but I think I'll summarize it very accurately because I have the transcript here if you want to look at it. "Attorney General MEESE. Might I just interject one point? You raised the $8 million in Swiss bank accounts. There has been a lot of contention about this in the press. That is why I appreciate this opportunity to make one point. That is that during that phase of this matter when, prior to the appointment of an independent counsel, the Justice Department did take steps to freeze whatever assets might be in Swiss bank accounts and we are continuing to work with the cooperation of the independent counsel, portions of our Department that are working directly with the independent counsel, to maintain that situation, so that those assets presumably would be available at such time as the civil suit would be appropriate in a way that would not jeopardize but would complement what is being done by the independent counsel. [Sic.] "Mr. RUDMAN. And I assume you agree with me that that is a matter which is truly within the Department's jurisdiction, not within the scope of the IC in terms of recovering those funds if they should be recovered. That is a civil matter, I assume? "Attorney General MEESE. It is a civil matter. We are prepared to do whatever is necessary. We don't want to interfere with what the independent counsel is doing. The independent

counsel is authorized under the statute to become involved in civil as well as criminal matters and this is a matter in which our people are carefully coordinating with the independent counsel.

"Mr. RUDMAN. As the Nation's chief law enforcement officer, I think it is important with some of the testimony we have had here, some of it rather bizarre in my opinion--

"Attorney General MEESE. I trust that refers to testimony prior to yesterday.

"Mr. RUDMAN. It does so far.

"Admiral Poindexter testified that Government officials approved each arms transaction with the Iranians in advance, that the Government officials approved all non-price conditions of the arms sale, that Government officials knew of the price being paid to General Secord for the arms before each sale, and that General Secord was expected to sell the weapons only to the Iranians.

"He further agreed that General Secord was, in effect, although he is not a lawyer, but was in general parlance an agent of the United States.

"That is his testimony, the highest-ranking official of this Government who was involved in this transaction.

"Do you believe that all the money paid to General Secord less appropriate expenses that now remains belongs to the people of the United States and should be returned to the Treasury?

"Attorney General MEESE. Without having all the facts other than what you have said and taking what you have proposed to me as a hypothetical situation based upon the testimony you have

received, I would say that as a general matter, it is highly probable that those funds should be on a constructive trust theory or agency theory the property of the United States."
(Meese Testim., JHICI, 7/29/87, at 12-16.)

86/01/17-610
AFTER JANUARY
17, 1986

THE IRAN INITIATIVE: SECORD AND PROFITS
NORTH ACCOUNT:

North testifying on Secord's entitlement to profits from his role in the Iran Initiative:

"It was always viewed by myself, by Mr. McFarlane, by Director Casey, that these were private commercial ventures, private commercial activities, and I always assumed--and I think I specifically said on a number of occasions--that certainly because he was being taken from his other pursuits that fair and just, reasonable compensation was deserved, as it was by the pilots that flew the airplanes and the mechanics that fixed them, et cetera."
(North Testim., JHICI, 7/8/87, at 64.)

86/01/17-612
AFTER JANUARY
17, 1986

THE IRAN INITIATIVE: SECORD AND HOW MUCH PROFIT
NORTH ACCOUNT:

North elaborated on Secord's entitlement to profit:

"Mr. NORTH. . . . It was clearly indicated the [sic; by] Mr. McFarlane and Admiral Poindexter and in fact almost drawn up by Director Casey, how these would be outside the U.S. Government, and that I told them right from the very beginning that those things that he did deserved fair and

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			just compensation. "And so, I don't know that I specifically said this transaction versus some other transaction would or would not result in compensation being derived therefrom. So, what I am saying is, it was simply a continuation on another mission by which he was entitled to that. "I don't think I specifically addressed that issue to anyone, because it was already known from his earlier activities in support of our foreign policy in those private activities from 1984 on. "Mr. NIELDS. So, to your recollection, you never discussed with Admiral Poindexter, for example, the fact that some of the proceeds of the sale of arms to Iran would inure to General Secord's personal benefit? "Mr. NORTH. No, but counsel, I am not trying to be a nitpicker on this thing, but I am saying that it was recognized that he had established a number of commercial enterprises or activities or companies outside the United States that needed to be supported, and that they would be set up as commercial activities and that he would be compensated right from the very beginning. "I don't believe anybody focused on a specific activity that would--or a specific activity that wouldn't achieve that benefit. "Mr. NIELDS. How much under your arrangement with General Secord was he to take from the proceeds of the sale of arms to Iran? "Mr. NORTH. I don't recall we ever discussed a specific amount of what reasonable compensation was. As I told you, I trusted that General Secord

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			was[] and[,] as far as I am concerned today[,] still is an honorable man, and that when he said, you know, I am being taken from my other activities, and I said fair and just compensation is appropriate, I trusted that he would do so. "And I never recall discussing a specific amount or rate or percentage or anything like that." (North Testim., JHICI, 7/8/87, at 65-66.)
86/01/17-613 AFTER JANUARY 17, 1986			THE IRAN INITIATIVE: NORTH'S TRUST AND SECORD'S BANK ACCOUNTS NORTH ACCOUNT: North continued on the money available to Secord: "Mr. NIELDS. How much money, according to your understanding, remained in these Swiss bank accounts under his [Secord's] control as of November 1986? "Mr. NORTH. I did not know. In fact, at the very end of this whole thing, and to this day, I still do not know how much money was under his control and where it was. "I simply relied on the fact that I had a relationship of trust between myself and General Secord, between General Secord and Director Casey, obviously, that those activities were being carried out." (North Testim., JHICI, 7/8/87, at 69.)
86/01/17-615 AFTER JANUARY 17, 1986		DIVERSION: SECORD AND HOW MUCH PROFIT POINDEXTER ACCOUNT: See col. 3.	THE IRAN INITIATIVE: SECORD AND HOW MUCH PROFIT POINDEXTER ACCOUNT:

"Mr. NIELDS. . . . There has been testimony that with respect to the first two shipments of arms to Iran in 1986, that the Iranians, through Mr. Ghorbanifar, paid $25 million for the missiles and the Hawk spare parts, and that $8 million of that was then transferred to a CIA account in Switzerland.

"In other words, $25 million was received into accounts controlled by General Secord and $8 million was transferred from there into a CIA account in Switzerland with a difference of $17 million, some of which was used for expenses.

"My question to you is, if you know the answer to this, who in the U.S. Government structured the transaction so that there would be a substantial, many millions of dollars remaining in the accounts controlled by General Secord?

"Mr. POINDEXTER. I don't know the answer to your question. Certainly Colonel North had discussed with me in February, as I have testified, the general concept of producing residual or--as has been characterized here, profits for the private party in the arms transfer, General Secord, but as to the details of how that was structured, I simply don't know the answer.

"I did not get into that level of management.

"Mr. NIELDS. Who decided how that money would be used?

"Mr. POINDEXTER. The--my guidance to Colonel North, what he requested and what I approved, was that those funds should be used for support of the contras in Central America so they could keep the

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			pressure on the Sandinistas. "Mr. NIELDS. So the decision--and I think you said earlier in your testimony, 'the buck stops here' [see 86/00/02-600]--the decision as to how that money was to be used was made by you? "Mr. POINDEXTER. Was my decision; that is correct. "Mr. NIELDS. And was it your understanding that any part of that money would go to the personal benefit of General Secord? "Mr. POINDEXTER. That issue wasn't addressed one way or the other. It simply didn't come up. "Mr. NIELDS. What was your understanding? "Mr. POINDEXTER. I would have expected that there be reasonable compensation for the time. I would not have expected anybody to get rich off of it. "Mr. NIELDS. Was there any discussion that you were involved in as to how the money would be accounted for? "Mr. POINDEXTER. No. I had great trust and confidence in Colonel North and General Secord and I think they are both patriots. I still do. I had no doubt that they would be fair and honest." (Poindexter Testim., JHICI, 7/17/87, at 28-30.)
86/01/17-618 1985-86		THE IRAN INITIATIVE: SECORD, HAKIM, AND HOW MUCH PROFIT POINDEXTER ACCOUNT: See col. 3.	THE IRAN INITIATIVE: SECORD, HAKIM, AND HOW MUCH PROFIT POINDEXTER ACCOUNT: "Mr. JENKINS. . . . And I hate to go back over this financial thing, but I must be honest with you in saying that I think the reason that it gives the committee members such difficulty is

that it is difficult for us to understand how this was a private commercial endeavor by Mr. Hakim and General Secord; and yet directed apparently by government officials. I don't ask you to agree or disagree with that statement, but I am simply making that as a premise to my question about the profits or residuals.

"Mr. BECKLER. May I have a second, please.

"Mr. POINDEXTER. Excuse me.

"Mr. JENKINS. Sure.

"Both you and Colonel North have testified that you certainly did not anticipate or expect that Mr. Hakim and General Secord would make a lot of profits, that you anticipated that they would receive reasonable compensation for their efforts; is that correct?

"Mr. POINDEXTER. That is correct.

"Mr. JENKINS. Now who determines what is reasonable? That bothers me. Do you know?

"Mr. POINDEXTER. I don't know. I'm not really able to put a finger on what is reasonable or unreasonable. I know there have been a lot of figures thrown around up here. I understand from some of the telegrams I've gotten that the percentages, profits, markup, and so forth get very complex.

"Mr. JENKINS. Well, whatever it is, who determines what is reasonable is my question?

"Mr. POINDEXTER. I think the people engaged in the project. I had great, as I have said time and time again, trust and confidence in General Secord. I did not know Mr. Hakim. In fact, I don't think I had ever seen him until I saw him here testifying before these committees.

"Mr. JENKINS. In other words, Mr. Hakim--

"I would hope, Mr. Chairman, I could have a little more time since there has been a great deal of conferring.

"Chairman HAMILTON. You may, sir.

". . . .

"Mr. JENKINS. You assumed that Mr. Hakim and General Secord will make their own determination as to what is reasonable?

"Mr. POINDEXTER. That is correct. You know, it is not all that much different, in my mind, from the way that the Defense Department contracts to build a weapons system.

"Mr. JENKINS. You mean, they just leave it up to the defense contractor?

"Mr. POINDEXTER. No. No. Not at all. But, you know, a bid is submitted. If the person can do it for less cost than he initially realized, then his profit can be greater. You know, this was an arrangement whereby the President had authorized the--Bill Casey to use private third parties. There was agreement, informal agreement reached that they would do it; and once the enterprise started with regard to the Iranian project, the possibility was raised with me that there could be residuals generated and that the private parties involved would be willing to provide those residuals to support the contras, which was the other effort that General Secord was involved with.

"I think, you know, some people may have trouble understanding that. And I think there are

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			many Members of Congress that understand that, and I think there's a large number of people in America that understand that. "Mr. JENKINS. Well, Hakim testified that he really negotiated with himself as to how much he would keep on any particular sale. That didn't seem to me to be the normal commercial operation, I guess. That's what concerns, I think, a lot of committee members. Maybe some understand it. "I have problems with it, and I think that others do, too." (Poindexter Testim., JHICI, 7/21/87, at 118-21. Poindexter testimony on Secord continues at 86/01/18-110.)
86/01/17-620 AFTER JANUARY 17, 1986			THE IRAN INITIATIVE: PROFITS NORTH ACCOUNT "Mr. VAN CLEVE. Can you tell the committee whether or not you ever informed any of the people in the Departments or agencies with whom you were dealing that, in fact, somebody would be collecting a whole lot more money for these weapons than the United States Government was going to get during that same period of time? "Mr. NORTH. Director Casey knew well. I believe anyone else who was in receipt of the intelligence at that point in time knew well. Admiral Poindexter knew well. They all knew that there were monies, the DOD charged $500 for something that was eventually being sold to the Iranians for $1,000 or whatever, that there was a delta between the costs paid to the U.S. Government and the cost put into the fund which

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			was eventually being used to support a whole range of covert operations. ". . . . "Mr. VAN CLEVE. . . . Did you ever tell an official of any other agency? "Mr. NORTH. I did not. I did not that I recall. "Mr. VAN CLEVE. And I take it, though, that your testimony is that the Central Intelligence Agency never suggested to you that there might be a question about the ownership of any excess over what they were due? "Mr. NORTH. Never. I want to qualify that a little bit. Director Casey, in October of 1986, raised with me the thought that had been given to him by Mr. Furmark that someone else was owed, and it was undetermined at that point who even owed that someone else. . . ." (North Testim., JHICI, 7/9/87, at 85-86.)
86/01/17-630 JANUARY 1986			THE IRAN INITIATIVE: HOW MUCH PROFIT NORTH ACCOUNT: "Mr. LIMAN. . . . I will represent to you that the proposals described in the various memoranda, including those that went up the line, were for 4000 TOWs. "Mr. NORTH. Okay. "Mr. LIMAN. And you knew, and the documents show this, that the Iranians were prepared to pay to the Secord organization $10,000, whatever Ghorbanifar was going to get, $10,000 per TOW was going to go to the Secord organization, right? "Mr. NORTH. That is correct.

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			"Mr. LIMAN. And you understood at some point that the Department of Defense was going to charge something like $3500 a TOW, right? "Mr. NORTH. Something like that, because the price seemed to change every time you asked for the price. "Mr. LIMAN. . . . [A]t one point, it was $6000 a TOW, and if it was $6000 a TOW, the gross profit on 4000 TOWs, before expenses of transportation and so forth, would be $16 million, 4000 times 4000. If the price was, as it turned out to be, about $3500 a TOW, then the gross profit was over $25 million. "Mr. NORTH. Okay. "Mr. LIMAN. Right? "Mr. NORTH. Yes. "Mr. LIMAN. And so there was, if this transaction went through, going to be a considerable surplus. You understood that? "Mr. NORTH. Yes. "Mr. LIMAN. And is it fair to say, without getting into any of the details, that the surplus was going to be used for the contras--and I am not necessarily giving the order--for the contras, it was going to be used to pay the cost of replenishing the 500-odd Israeli TOWs and for some other covert operations of the United States and Israel? "Mr. NORTH. That's correct. "Mr. LIMAN. And did you ever urge the Department of Defense to keep the price down so that the profits would be greater? "Mr. NORTH. I don't recall doing that. I

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			recall trying to get the price accurate. We went through a dickens of a time-- "Mr. LIMAN. But you don't recall saying keep it down so we will have even more of a slush fund? "Mr. NORTH. I do not recall that whatsoever." (North Testim., JHICI, 7/10/87, at 39-41.)
86/01/17-712 JANUARY 17, 1986			COVER MEMO FOR THE 1/17/86 FINDING: THE IRAN-IRAQ WAR POINDEXTER ACCOUNT: "Mr. NUNN. One final question. Believe me, this is the final question. "Back to the point of the memo on the Iraq-Iran war where you said there were differences between the various views in the Administration. In that memo, that the President was basically using for his decision to sign that finding, wasn't it important to point to others in the Administration, including the interagency review that had a different view of the balance between Iran and Iraq? "Mr. POINDEXTER. I think that the President was aware at the time as to the other view. I frankly did not put great emphasis on that point one way or the other. "Mr. NUNN. So you think he was fully aware when you made that decision that there was more than-- "Mr. POINDEXTER. Oh, I think--because I can recall when earlier in the Administration there were all sorts of dire predictions of the Iraqis falling with the Iranian attack, and of course it never happened. I think that there was a great

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			deal of misjudging the situation there." (Poindexter Testim., JHICI, 7/21/87, at 194-95. On the Iran-Iraq War and the cover memo for the 1/17/86 Finding, see 86/01/17-215, -216.)
86/01/17-740 1985-86			THE JOINT CHIEFS OF STAFF AND THE IRAN INITIATIVE POINDEXTER ACCOUNT: "Mr. HEFLIN. Admiral Poindexter, I don't think there is a dispute that the Iran-Iraq war is a serious war and that it is in a region of the world both politically and militarily that is a powder keg. "We have heard a great deal that in the event that Iran were to win the war, there is the potential of the unification of some radical fundamental Moslem groups, particularly the Shiites, throughout the entire Mideast, not only in Iraq, but other Mideastern countries. And in regards to the arms sale to Iran, did anyone seek the advice or the input of the Chairman of the Joint Chiefs of Staff or a top military man as to the decision as to whether or not we should sell arms to Iran? "Mr. POINDEXTER. Senator, no, we did not. The Secretary of Defense was fully involved in the decision and he certainly had the opportunity to talk to the chairman if he wanted to. "But I think it is important to point out that in the decisions that the President took as to the quantities of arms and the type of arms, we were very careful to adjust both of those items so as not to have an impact on the war. "For example, other kinds of weapons were

requested with which we would not agree, and as I have testified yesterday, a big part of our objective in talking to the Iranians about the longer term interests of the United States and of Iran as we saw it was to convince them that the war with Iraq was a useless proposition that should be brought to an end as soon as possible.

"We pointed out to them the threat that we saw from the Soviet Union on their northern border, the fact that the Soviets have contingency plans and train for an invasion across the border, and in our view there wasn't any way the Soviet Union could allow Iran to win the war against Iraq and we were very straightforward with them.

"We told them that we didn't want them to win the war and we didn't want Iraq to win the war, we wanted a negotiated solution in which the territorial boundaries of both countries were preserved.

"Mr. HEFLIN. It is my understanding that Admiral Crowe, the top military man and Chairman of the Joint Chiefs of Staff, found out about the Iranian arms sale by accident in late June or early July of 1986, and this would have been after five of the six arms sales to Iran had occurred. [See entries starting at 86/06/21-630.]

"With all of the relationship between Russia, the effect in the Mideast, in retrospect, do you not feel that our top military man, the Chairman of the Joint Chiefs of Staff, should have been consulted relative to the decision to sell arms to Iran?

"Mr. POINDEXTER. Well, Senator, Bill Crowe is

a very good friend of mine, and I hold him in very high regard. But frankly, on this issue, I thought that it was up to the Secretary of Defense, Cap Weinberger, to make the decision whether to bring him in or not and I did not try to influence Secretary Weinberger one way or the other on that particular point."
(Poindexter Testim., JHICI, 7/21/87, at 1-3. See id., 7/21/87, at 4-5 [Poindexter on what role the Chairman of the Joint Chiefs of Staff should have on the NSC].)

86/01/17-745
1985-86

IMPACT OF THE IRAN ARMS SALES ON THE IRAN-IRAQ WAR

POINDEXTER ACCOUNT:

"Mr. HEFLIN. While there was not delivered 4008 TOWs, at times there were plans and I believe when the decision was made that number of TOWs--do you feel that 4008 TOWs would not have had a material bearing on the outcome of the Iraq-Iran war, where Iran has a great number of foot soldiers, and the fact that Iraq has fewer, much fewer foot soldiers, but depend[s] upon tanks relative to their military efficiency?

"[Counsel conferring with witness.]

"Mr. HEFLIN. I didn't know that your lawyer was a military expert in regards to this question.

"Mr. BECKLER. Three years in the Navy.

"Mr. POINDEXTER. He is a man for all seasons, Senator.

"Senator, we were convinced that the number of arms that we were talking about would not have a decisive impact on the war. Now, remember what we have always said--we don't want either side to win. We don't want Iraq to win either, frankly. We would like to see a negotiated settlement that preserves the territorial integrity of both countries and there has been some concern that Iran might lose.

"So it was a very careful balancing game. One of the reasons that the President agreed to provide some very limited intelligence to the Iranians was to convince them that it was a futile effort in the war with Iraq. You must recall that Iraq started this war by an invasion across the border after the Shah died when Saddam Husayn thought that he had an opportunity for some easy win. Now it is true that since that time, some 6 or 7 years ago, that Iraq has indicated they would be prepared to end the war and Iran has been the one that has refused to sit down at the negotiating table, and one of our objectives as borne out by the terms of references for Bud McFarlane's trip to Tehran was to convince Iran that they couldn't win the war because of what we saw as Soviet interests in the area, and to bring the war to an end, and I think that especially with the second channel we were beginning to have some impact on that.

"Mr. HEFLIN. Considering a worst case scenario, which should have been considered, in my judgment, in staff planning for the selling of 4000 TOWs, if you had a massive battle in which a large number of tanks, if 5 to 1 TOWs, one out of the five could have crippled or caused some damage, serious damage to a TOW [sic (tank)], or one out of ten TOWs could have been effective, out of that number, on 1 to 5, you might have had some damage to as many as 800 tanks or 1 to 10 to 400 tanks, which could show that at least in 20 to 1--on 4000 TOWs it would appear that they could have had some type of effect relative to the Iraqi tank corps.

"Was that worst case considered?

"Mr. POINDEXTER. Yes, sir. I think that the worst case was indeed considered and it was our judgment that it would not have a decisive impact. Also I should point out that the United States is obviously not the only country in the world that has supplied arms to Iran. Iran has been able to carry on the war with Iraq for a very long period of time. And so to some extent if they hadn't had obtained the weapons from us, they would have obtained them elsewhere. Obtaining them from us this way we felt gave us some influence at least within some elements of the government to have an impact."

(Poindexter Testim., JHICI, 7/21/87, at 5-8.)

86/01/17-748
1985-86

EFFECT OF THE IRAN ARMS SALES ON U.S.
MILITARY READINESS

POINDEXTER ACCOUNT:

"Mr. HEFLIN. Let me ask you a little about the decision and the question of depletion of our various Hawk repair parts and of TOWs, but particularly Hawks. It is my understanding that there was afterwards an Inspector General investigation on the question of readiness and that their figures came up that in regards to

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			repair parts, replacement parts, there were 234 line items that were listed, and of that there were something like 15 of the parts would have been a total 100 percent depletion of our U.S. inventories, in excess of 50 percent depletion for 11 repair parts, and less than 50 percent, but still enough to be classified as significant depletion, for 20 parts. "Now, at the time that the decision was made relative to the supplying of the Hawk parts, was any consideration given as to the effect on readiness of the U.S. at that particular time? "Mr. POINDEXTER. I don't believe so, Senator. On the other hand, Secretary of Defense Weinberger did not raise that issue with me or the President as that it was a problem that he was concerned about." (Poindexter Testim., JHICI, 7/21/87, at 9.)
86/01/17-750 JANUARY 1986 AND THEREAFTER			THE JOINT CHIEFS OF STAFF AND THE IRAN INITIATIVE WEINBERGER ACCOUNT: "Mr. ASPIN. Why was Admiral Crowe or the Joint Chairman of the Joint Chiefs not brought into the issue by the Administration when they actually made the very formal decision in January of 1986 to proceed? "Secretary WEINBERGER. Well, having, as I said before, when--having been given the basic instruction to limit it only to the bare minimum of people who needed to know to carry out the President's orders, I carried out that request and it was perfectly possible to do this without involving the Joint Chiefs and without involving

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			really anyone else except the people with direct physical custody over the weapons concerned. "Mr. ASPIN. Did anybody suggest, either you or somebody else, that maybe we ought to get the military assessment here of this? "Secretary WEINBERGER. We had discussions of what would be the effect in the Iran-Iraq war. The President was concerned with that. But the informal assessments, the idea that this was a very tiny fraction of what Iran was getting--bear in mind, to keep this in perspective, that Iran buys--has bought about $10 million [sic] worth of armaments over the past few years all over the world. "This was a sale of approximately 10 or 11 million [sic] and just on that size, it was clear that it wasn't going to make any major difference in the balance between the parties. "Mr. ASPIN. So this was a judgment essentially made by the people involved on their own without asking for a formal--just a judgment-- "Secretary WEINBERGER. Again, it stemmed, I think, from this idea that the lives of the hostages and others could be endangered, that the idea was to keep the circle of people familiar with it to a very small circumference based on the need to know to carry out the President's orders and that was accomplished. "Mr. ASPIN. Let me tell you three things that I think you might have asked the military to judge on this thing. "One would have been the effect of these sales . . . or the transfer of arms to the CIA and then

to Iran, the effect of all that on[] our readiness because at some point, especially when you are dealing with spare parts, you might not be aware that you would end up with a very critically low number of parts in some category.

". . . .

"Second was the effect on the Iran-Iraq war; and third would have been the assessment of the effect on our ability to fight in Iran should we be called upon to fight against Iran, . . . would the fact that we had sold Hawks or Hawk parts to Iran have any impact on that balance . . .[.] I take it there was no formal assessment of that?

"Secretary WEINBERGER. Most of the answers to this, Mr. Aspin, with respect to our own readiness, I think we had somewhere in the neighborhood of 146,000 or 142,000 TOWs. Two thousand transferred would be 1.5 percent of our total stock of an obsolete weapon[] that we were no longer using and using only in training and in maneuvers.

"On the Iran-Iraq war I thought we had covered that, that we thought it would have a very small effect in view of the correlation of forces with respect to tanks.

"As far as our ability to fight Iran should we have to do that, we have, as I have said, and I can't go into more detail here, have considerable knowledge of ways to deal with anybody who had the TOWs.

"Mr. ASPIN. And the Hawks?

"Secretary WEINBERGER. And the Hawks.

"Mr. ASPIN. The Hawk system is the more

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			critical area. But there was no formal assessment, this was a judgment done essentially by the people making the decision? "Secretary WEINBERGER. I did not call the Net Assessment Division of the DoD and ask for a formal net assessment, no. "Mr. ASPIN. Or call Admiral Crowe? "Secretary WEINBERGER. No, but those are all actions which involve widening the circle very substantially, and that would have been against the basic instructions that we had for the reasons that I mentioned, the President's great concern for not doing anything that would endanger the lives of the hostages or those people felt to be useful contacts." (Weinberger Testim., JHICI, 7/31/87, at 179-83.)
86/01/17-800 DURING 1986			THE IRAN INITIATIVE: LEGAL CONSIDERATIONS, PRICING, DoD ROLE, AND GAO REPORT WEINBERGER ACCOUNT: "Mr. GENZMAN. Sir, you testified that the Defense Department played its role in the Iran arms transfers by means of its transfers of arms from the Defense Department to the CIA under the Economy Act. "Is that correct? "Secretary WEINBERGER. That is correct. "Mr. GENZMAN. And the Economy Act has its own pricing requirements; isn't that true? "Secretary WEINBERGER. That is right. We are supposed to get full market value for anything we turn over to another agency of the Government. "Mr. GENZMAN. Were you at any time directed

or asked to get the prices of the weapons in any particular way?

"Secretary WEINBERGER. No.

"Mr. GENZMAN. To your knowledge, was anyone at the Department of Defense directed or asked to set the prices in any particular way?

"Secretary WEINBERGER. Not that I know of, no.

". . . .

"Mr. GENZMAN. . . . [In] March of 1987, the Comptroller General [of the GAO] concluded [about the Iran arms sales], DoD, Department of Defense acted properly in transferring the arms to CIA as interagency transfer governed by Economy Act.[]

"I take it you join in that conclusion?

"Secretary WEINBERGER. Yes, that was one of the parts I am familiar with.

"Mr. GENZMAN. The GAO also concluded the pricing and congressional reporting requirements of the Arms Export Control Act, the legislation which normally governs DoD arms sales to foreign governments, do not apply to these transactions?

"Secretary WEINBERGER. The transactions between the Department of Defense and CIA, that is correct; yes.

"Mr. GENZMAN. Is that your understanding of the law?

"Secretary WEINBERGER. Yes that is my understanding.

"Mr. GENZMAN. And another GAO conclusion dealt with notification of Congress. It said, 'Although DoD co[]vert arms transfers may ordinarily be subject to congressional

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			notification requirements, in this case the President's finding ensured that the responsibility for meeting any such requirements remained with him.' "Knowing what you now know about the finding, is that your understanding of-- "Secretary WEINBERGER. That is apparently what was intended. As I say, I didn't see the finding until the fall of that year." (Weinberger Testim., JHICI, 7/31/87, at 156-58.)
86/01/18-100 JANUARY 18, 1986			SPORKIN'S RESERVATIONS ABOUT SECORD SPORKIN ACCOUNT: "Mr. WOODCOCK. Now, do you recall . . ., on January 18, having a phone call or phone conversation over a secure phone with John Poindexter? "Mr. SPORKIN. Yes, I do. "Mr. WOODCOCK. Do you recall how that phone call came about and what the subject was? "Mr. SPORKIN. Well, at some point, I don't know if we discussed other things, but at some point, I had learned--and I can't tell you from whom--that General Secord was going to be utilized in the operation. "Mr. WOODCOCK. That was a name that was not strange to you, is that correct? "Mr. SPORKIN. It was not strange to me. "Mr. WOODCOCK. That was a name you knew before through your duties as General Counsel for the CIA, is that correct? "Mr. SPORKIN. That is correct. "Mr. WOODCOCK. In fact, at one point, General

Secord, in 1983, had come to your office seeking a CIA security clearance, is that correct?

"Mr. SPORKIN. I think you are right.

"Mr. WOODCOCK. You met with him and his lawyer, Tom Green, is that correct?

"Mr. SPORKIN. That is correct.

"Mr. WOODCOCK. And you had the unfortunate duty of advising General Secord that he could not have a CIA clearance, is that correct?

"Mr. SPORKIN. I don't know if it was unfortunate, but I did do it.

"Mr. WOODCOCK. You advised him that the CIA could not give him a security clearance because an investigation was still ongoing into matters relating to Edwin Wilson and General Secord's association with Edwin Wilson, is that correct?

"Mr. SPORKIN. There is a memo that I saw in which I think Mr. Secord has written as to that meeting. I think he is essentially correct in what he says.

"Mr. WOODCOCK. When General Secord left that meeting, he did not have a security clearance; is that right?

"Mr. SPORKIN. That is correct.

"Mr. WOODCOCK. To the best of your knowledge, he never did get a CIA security clearance; is that right?

"Mr. SPORKIN. So far as I know, that is correct.

"Mr. WOODCOCK. So with this background information, when you spoke with Admiral Poindexter, what were you imparting to him?

Mr. SPORKIN. Well, you have to understand I

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			just don't pick up the phone and call Admiral Poindexter. Therefore, there must have been something that disturbed me in which I just wanted to make sure I said to the Admiral, do you know that General Secord is involved in this project, and I want to know whether you have properly, in effect, vetted him and are determined that he is exactly what you wanted to use. "I mentioned there is--that there is a background matter here, and that--to, I assume, that he would look into it, that he--I asked him whether he knew about it. He told me he did not know about it and that he would look into the matter. "Mr. WOODCOCK. That was as you left it; is that correct? "Mr. SPORKIN. Yes. That is how I left it. Nothing further on that." (Sporkin Testim., JHICI, 6/24/87, at 90-94.)
86/01/18-105 SOMETIME IN JANUARY 1986			SPORKIN'S RESERVATIONS ABOUT SECORD POINDEXTER DEPOSITION ACCOUNT: "Q. . . . Did Stanley Sporkin, as General Counsel of the CIA, ever communicate to you that there had been some questions about Secord's past? "A. I was aware that Sporkin, amongst others at the Agency, had some concern about some of Dick Secord's history. As I understood their concerns, I thought that they were unfounded and in fact had a conversation with Director Casey about that subject, and I told him I thought his people were being unfair with General Secord. "Q. Was this later in '86 or at the time that

the issue of whether to take over the assets of Project Democracy occurred? Or did you have one with him at the beginning?

"A. I think it was at the beginning, and Bill Casey generally agreed with me that he thought that Dick Secord was a very great professional and was being unfairly tarred by the Wilson-Terpil brush.

"Q. And what provoked that discussion?

"A. Well, it may very well have been something that Sporkin said to me. I can't recall a conversation. It is possible that he called me. He was in the drafting session that I had with Director Casey and Secretary Weinberger and Ed Meese and, very briefly, George Shultz on the 16th of January.

"Q. You were about to say something and I interrupted when you were talking about Secord and the Wilson-Terpil connection and the unfairness of it.

"A. Well, I was going to say on Sporkin, getting back to your original question, I can't recall for certain how I was aware that Sporkin was with the group that was critical of Dick Secord. You know, it's conceivable I heard that directly from Stanley or from Colonel North." (Poindexter, Senate Dep., 6/17/87, at 365-66.)

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SPORKIN'S RESERVATIONS ABOUT SECORD
POINDEXTER ACCOUNT:

[Rep. Jenkins' question continues from his comment at the end of 86/01/17-618:]

"[Mr. JENKINS.] I want to hand you, on

another area--you recall Mr. Sporkin telling you that he had problems with General Secord when he learned that he was a part of the operation?

"Mr. POINDEXTER. I recall being aware that Mr. Sporkin had problems with General Secord and my telephone schedule indicates I talked to him, Sporkin, on the telephone in January. I don't recall specifically that conversation. That could have been the time that he raised those concerns.

"Mr. JENKINS. Mr. Sporkin was, of course, counsel to the CIA, was he not?

"Mr. POINDEXTER. That is correct.

"Mr. JENKINS. When he learned that Secord was involved in the Central American--the Nicaragua operation, he called you to tell you that he had concerns if, in fact, Secord was a part of the operation, did he not?

"Mr. POINDEXTER. As I say, my records indicate that he called me. I was aware that he didn't much care for General Secord. I don't recall the specific conversation.

"Mr. JENKINS. Did you know that he had had the unfortunate responsibility of at one time denying General Secord a security clearance?

"Mr. POINDEXTER. I don't recall knowing that. But the main point, Mr. Jenkins, to me was that I had talked after that and, as a matter of fact, before that, I had talked to Bill Casey about Dick Secord and Bill agreed with me. He did not think there were any grounds that were justified and--to have any doubt at all about General Secord. And he agreed with me in January of 1986 that Dick Secord was a great patriot and he was very

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			comfortable in using Dick Secord in this role. "Now I specifically discussed with Bill Casey the concerns that were raised by some of the people at the Agency and Stanley Sporkin was one of those people; and Bill essentially dismissed those concerns. "Mr. JENKINS. So he cleared up any problem that you had-- "Mr. POINDEXTER. I didn't have any problem to begin with. "Mr. JENKINS. But Sporkin had problems? "Mr. POINDEXTER. Sporkin had problems, and, you know, you will have to--if you haven't talked to him--I guess you have--get his views." (Poindexter Testim., JHICI, 7/21/87, at 121-22.)
86/01/18-120 JANUARY 18-19, 1986			GEORGE'S RESERVATIONS ABOUT SECORD GEORGE ACCOUNT: "Mr. Sarbanes. . . . Mr. George, did I understand . . . that you didn't know General Secord before you met him in the Situation Room at the White House on the 19th of January? "Mr. George. That is absolutely correct. I knew of him, but I didn't know him. "Mr. Sarbanes. What did you know of him? "Mr. George. Well, I knew a great deal about him. The good General Secord's reputation inside the CIA was not of the highest. As I have testified previously, I had no evidence then, I have no evidence now -- I have no knowledge of General Secord engaged in illegal activities, but General Secord worked the edges of the international arms market. General Secord worked

the edges of those guys out there in the world who were buying and selling in the arms business.

"He had been associated in a[n] I.G. report of the CIA with Edwin Wilson, the famed renegade CIA agent who is now in Marion, Illinois and I know for a fact that he was in our minds, in my mind as a manager of the American Clandestine Service, an individual with whom I would not do business.

"I will even go further and I maybe shouldn't, I went to Bill Casey soon after the famed Saturday, 18, January meeting and urged Bill Casey not -- if they are going to do this, if they are going to ship arms to Iran for hostages, and that is a complicated moral question, don't use Secord. I told him very strongly.

"Mr. Sarbanes. What reasons did you give Casey --

"Mr. George. My knowledge of his involvement in what we considered to be not particularly wholesome -- wholesome is a dumb word for a spy to use -- particularly savory activities in the past, and he is mentioned in our Inspector General's report as being an associate. I had also read the book 'Manhunt', which is the second book. He was just not a guy I wanted to do business with.

"Mr. Sarbanes. How did you understand that Secord got involved in all of this? Did you have an understanding --

"Mr. George. You want to know what I thought now or what I thought then --

"Mr. Sarbanes. Both.

"Mr. George. I didn't have a damn clue how he got involved when I saw him in January of that

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			year. I was surprised, shocked. Stan Spork[i]n, who was with me at this famous meeting and I understand it was testified to you, Stan and I agreed that this was a mistake and Stan and I went separately to Bill Casey to try to talk him out of it. That is what I knew then, it was a dumb idea. Now, how did it happen -- because starting in 1984 I assume -- I have no personal evidence -- when Oliver North was given the thankless task of supporting the contras or at least making sure they were supported, he turned to Secord. So by the time Secord was in the White House Situation Room in January 1986, Secord was probably -- and I have no evidence of it -- you may -- I can't follow as closely as you do -- already deeply engaged with Oliver North in the contra affair, and he would be a natural to move right on to the Iranian affair." (George Testim., JHICI, 8/6/87, at 109-11.)
86/01/18-125 JANUARY 1986			CIA VIEW OF SECORD GEORGE ACCOUNT: "Mr. Cohen. . . . What did the name Secord mean to you and generally to the Agency at that time [January 1986]? "Mr. George. It meant what I told you when I took my oath and appeared before the Select Select Committee in late November of 1986. Secord had been messed up and involved -- in some[ ]way engaged in activities in the fringes of Tom Clines, Ed Wilson, international arms traffic. I have no evidence then and I have no evidence now that Mr. Secord is violating law; but there's a

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			world of ours in which there are people we do not deal with and Mr. Secord is one of them. "Mr. Cohen. The world of yours -- one final point -- is it fair to say that people at your level, and I'm talking certainly with Mr. McMahon, Mr. Casey, yourself, Mr. Clarridge, would have knowledge of the -- generally General Secord's activities? "Mr. George. Absolutely. "Mr. Cohen. His is a name that certainly would pop up on the mental screen? "Mr. George. I don't see how you could be in this business and not know the name of Richard Secord." (George Testim., JHICI, 8/6/87, at 162-63.)
86/01/19-100 JANUARY 19-21, 1986		WATSON-RODRIGUEZ-STEELE CONTACT GREGG CHRONOLOGY: Chronology prepared by Donald Gregg, National Security Adviser to the Vice President, notes a meeting of Felix Rodriguez, Col. Watson and Col. Steele in El Salvador: "During the period January 19-21, 1986, Colonel Samuel Watson, Mr. Gregg's Deputy, met with Mr. Rodriguez, Colonel Steele and others in El Salvador to discuss counterinsurgency operations. This was part of an orientation trip to the area for Colonel Watson." (Gregg Dep. Ex. 1 [see 85/12/20-100 for preceding entry in Gregg chronology; chronology continues at 86/04/30-100].)	
86/01/19-145		WATSON MEETS WITH RODRIGUFZ IN EL SALVADOR	

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JANUARY 19-21, 1986		WATSON ACCOUNT: In his written summary of his January 14-21, 1986 trip to Guatemala, Honduras and El Salvador, Col. Samuel Watson included the following description of his three days in El Salvador: "January 19, 1986 (Sunday): El Salvador "Mid-afternoon: Arrived Il[o]pango. "Late afternoon: Meet with Mr. Clemente, representative in San Salvador of American Free Labor Institute. Discussed internal Salvadoran political and labor situation. Attending the meeting were Mr. Clemente, Felix Rodriguez, and Watson. "Dinner: Dinner with Gen. Juan Bustillo, CINC of El Salvador Air Force. Discussed U.S. commitment to Central America and need for a clear signal from the U.S.; desire for democracy. Attending the meeting were: Juan Bustillo, Felix Rodriguez, and Watson. "January 20, 1986 (Monday): El Salvador "Breakfast with Mr. Luis Poma, a Salvadoran businessman and investor. Discussed his assessment of Salvadoran political scene and return of democracy in Nicaragua. Attending breakfast were: Luis Poma, Felix Rodriguez, Watson, and Col. Jim Steele. "Morning: Visit to Il[o]pango Air Base conduct by Felix Rodriguez for Watson. "Morning: Watson observed conduct of [redacted] operations by Salvadoran Air Force. "Lunch: With Col. George Maynes, US Defense Attache to El Salvador. Attending lunch: Maynes, Felix Rodriguez, Watson, and the Asst. Defense	

Attache.

"Afternoon: Helicopter tour of [redacted] operational area.

"Afternoon: Watson visited El Salvadoran General Staff Headquarters with Mr. Rodriguez and US advisors.

"Dinner: With Ambassador Edwin Corr. Discussed counterinsurgency in El Salvador. Attending dinner: Ed Co[r]r; David Passage, DCM; Felix Rodriguez; Jim Steele; and Watson.

"January 21, 1986 (Tuesday):

"9:00 a.m.: Watson departed El Salvador for U.S."

(Watson Dep. Ex. 1 [Watson's list of contacts with Rodriguez].)

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WATSON MEETS WITH RODRIGUEZ IN EL SALVADOR
WATSON ACCOUNT:

Attached to Watson's summary of his trip to Guatemala, Hondruas and El Salvador (see preceding entry) is the following statement:

"Congressional Authorizations: The applicable legislation in this case is in two parts. First, the Fiscal '85 Supplemental Appropriation Act signed in August 1985 permitted the CIA to share information and intelligence with the Nicaraguan Democratic Resistance. This authorization was expanded in December 1985 by the Fiscal 1986 Intelligence Authorization Act which permitted them to share more information and advice and also to provide communications equipment, secure communications, [redacted.]

"One question may come up concerning my visit

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		to [redacted.] It is from that airfield that resupply flights into Nicaragua originate. The CIA attorney I spoke with tells me that it was perfectly and properly within the Congress' intent that the CIA could provide information to the FDN which would be useful in flight route planning and drop zone locations. The CIA, based on consultations with the Congress, interpreted this to mean they could provide such information to the FDN (who could pass the information to anyone they desired, including private benefactors, if they so chose)." (Watson Dep. Ex. 1 [Watson's list of contacts with Rodriguez].)	
86/01/19-149 JANUARY 19-21, 1986 AND DECEMBER 16, 1986		WATSON MEETS WITH RODRIGUEZ IN EL SALVADOR WATSON ACCOUNT: Memo dated December 16, 1986 from Col. Samuel Watson, the Deputy Assistant to the Vice President for National Security Affairs, to Craig Fuller, Marlin Fitzwater and Don Gregg: "SUBJECT: Watson visit to Central America - [redacted] "The question has been raised by [redacted] whether it was legal for me to visit and be briefed at Nicaraguan Democratic Resistance locations in [redacted] during my visit [redacted.] "The Visit: While [redacted] I was briefed by [redacted] I visited [redacted.] "[Redacted] I was taken on a tour of FDN troop and family living and messing facilities, supply tents, and the training office. I met with	

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		[redacted.] Along with [redacted] I spoke to an assembled class of trainees. "[Redacted] I was given a tour of the airfield facilities, the interior of several resupply aircraft, the FDN logistical supply warehouses, and met with Nicaraguan commander and pilots. "[Redacted] we landed at the [redacted] air strip and talked to some FDN troops. "[Redacted.] My orientation tour [redacted] was arranged and conducted [redacted] organized visits to DRF locations in [redacted] for members and staff of the U.S. Congress, the House Permanent Select Committee on Intelligence, the Senate Select Committee on Intelligence, White House staff, NSC staff and Executive agency officials. They conducted these briefings and orientation visits so that officials with responsibility for policy implementation and oversight could observe first-hand their activities and assure for themselves that the intent and law is being followed." (Watson Dep. Ex. 2.)	
86/01/19-150 JANUARY 19-21, 1986		WATSON MEETS WITH RODRIGUEZ IN EL SALVADOR WATSON ACCOUNT: Col. Samuel Watson, the Deputy Assistant to the Vice President for National Security Affairs, testified he met with Felix Rodriguez during a trip to El Salvador from January 19 through 21, 1986. On December 16, 1986, Watson wrote a memo on his trip for Donald Gregg, Craig Fuller and Marlin	

Fitzwater. He testified on that memo (Watson Dep. Ex. 2):

"Q. There's a handwritten notation on the first page that appears to be: 'This looks good. DG.' Do I read that correctly?

"A. You do.

"Q. Is that a note from Don Gregg?

"A. That's Don handwriting. That's his note.

"Q. Now, this pertains to the same visit to Central America during which you saw Felix Rodriguez in January 1986, right?

"A. Correct.

"Q. And the memo responds to questions raised [redacted] as to whether it was legal for you to visit FDN locations in [redacted].

"A. That's correct.

"Q. While you were in [redacted] did you come to learn about any of the resupply operations that were then in progress for the contras, January 1986?

"A. Yes, I did. I visited the [redacted] airfield in [redacted.] When I visited it, it was described to me as the base for the FDN, Nicaraguan Democratic Force, military force, the base from which they conducted their resupply operations.

"Q. And who did you understand was involved in those resupply operations, based on what you learned in Central America?

"A. My understanding was that the FDN, a colonel, I believe his name was [redacted,] an FDN colonel, a contra colonel, was running that operation out of [redacted.]

"Q. Did you learn whether any U.S. government agencies or officials were involved in that resupply operation, indirectly or directly?

"A. There were several, it may have been two, CIA officers at [redacted.] They were there to advise the FDN air force on resupply techniques.

"Q. Apart from that, did you learn of any other U.S. government involvement, either through individual officials or agencies?

"A. No, I did not.

"Q. Did you learn anything about the so-called private supply network that was assisting the contras in January 1986?

"A. No, I did not.

"Q. Prior to going to Central America in January 1986, but subsequent to assuming your role with the Vice President, had you heard anything about the private contra resupply effort that was under way?

"A. No, I had not. It was always the rumor around Washington that somebody was giving money to the contras, some other countries. That was in the Washington Post frequently. But I had no specific direct or indirect knowledge.

"Q. Did you ask anyone whether any of those stories about foreign countries' assistance to the contras were true?

"A. Not in connection with this trip.

"Q. Let's forget about this trip. From the time you became employed as deputy assistant to the Vice President for national security affairs in November of 1985, straight through until the disclosures of November 1986, did you inquire of

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		anybody as to whether there was truth to the stories that foreign countries were assisting the contras? "A. I may have, but I don't recall a date or a who. "Q. Do you recall asking anyone? "A. I don't specifically recall asking anyone. "Q. Did you ask Mr. Gregg? "A. I don't think so. "Q. Did you ask anyone else? "A. Not that I can remember. I just never thought about that issue." (Watson, Senate Dep., 6/16/87, at 13-16; Watson Dep. Ex. 1 [Watson's list of contacts with Rodriguez, with 2-page breakdown of Watson's visit to Guatemala, Honduras and El Salvador from 1/14/86 through 1/21/86]; Watson Dep. Ex. 2 [Watson memo to Fuller, Fitzwater and Gregg, "Watson Visit to Central America," 12/16/86].)	
86/01/20-200 JANUARY 20, 1986			THE IRAN INITIATIVE: WHITE HOUSE MEETING SPORKIN ACCOUNT: Sporkin attends a meeting at the White House on the Martin Luther King holiday. Clair George, Secord, North and the CIA Deputy Chief of the Near East also attend. Poindexter is not present. North conducts the meeting and they discuss an upcoming meeting in London. Sporkin, who does not see a signed Finding during the meeting, says little and is disturbed by Secord's presence. He makes two points: the CIA should have the money for the weapons in hand before any weapons are

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			transferred, and the hostages should be released before any weapons are given to the Iranians. (Sporkin Testim., JHICI, 6/24/87, at 94-97.)
86/01/21-100 JANUARY 21, 1986			THE IRAN INITIATIVE: McFARLANE'S VIEW OF THE ISRAELI ROLE McFARLANE PROF: In a PROF to Poindexter, titled "[Redacted] Meeting," McFarlane writes: "Roger; take your time. I'll stand by. For what it's worth, I think it is likely that the Israelis are sucking us in o[]n the arms transfers and consequently it might be worthwhile to just go back and turn off this latest ploy, which started as if it would involve them taking all the risks but has become more complicated. It seems to me that they still need us more than we need them for the bigger prize and that it might well be worthwhile to go back to that priority. It might at least get them to fish or cut bait on the hostage deal. And if they say nix to any [redacted] meeting until we resolve the hostage return, then we will know we are being conned and well rid of them on both counts. But my guess is that they will do the hostage deal on their own if we stonewall. It holds a lot of long term leverage for them, or at least [copy ends]." (McFarlane PROF to Poindexter "[Redacted] Meeting," 1/21/86 23:25:20, Reply to note of 01/17/86 09:50 [one of the PROFs recovered during the "hex dump" of White House computers in 12/87 for any messages missed during earlier searches of those computers; see also 86/01/22-010

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			[Poindexter's response to this PROF], 86/02/01-100].)
86/01/22-000 JANUARY 22-23, 1986			LONDON MEETING: THE FIRST CHANNEL SECORD ACCOUNT: Attending: North, Secord, Nir, and Ghorbanifar. Ghorbanifar says he is owed $5.4 million from the November I-HAWK transaction. Secord learns later that the money is returned. Out of Ghorbanifar's presence, Nir demands that the U.S. furnish Israel with 508 replacement TOWs without Israel's paying; "and so it was decided that sufficient monies would be collected in the sale of these 4,000 TOWs to enable [Secord] to purchase 4,508 TOWs." They discuss, as well, "that [the U.S.] would have to get from Iran some sort of plan on how we were to proceed with the initiative . . . to achieve a high-level government-to-government meeting with Iranian officials." Secord gives Nir the Lake Resources account number and address. They all agree to meet again on Feb. 6 in London; Ghorbanifar fails to appear at that meeting, however. (Secord Testim., JHICI, 5/6/87, at 43-49.)
86/01/22-010 JANUARY 22, 1986			THE IRAN INITIATIVE: POINDEXTER'S VIEW OF THE ISRAELI ROLE POINDEXTER PROF: In a note to McFarlane in reply to McFarlane's earlier PROF on the Israeli role (see 86/01/21-100), Poindexter writes: "Bud, when we have time to meet I will bring you up to date, but I think we are arranging this

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			now so we have the Israelis under control. Schwimmer and Nimrodi have been cut out. We are managing directly through Peres's office and there are enough constraints on the Israelis that we have complete control on any arms transfers. Postponing on [redacted] has really been our initiative, because I wanted to get the hostage deal out of the way first. I now have everybody here agreed on the logistics arrangements, but Cap and George still are against it on policy grounds. The President has overruled them." (Poindexter PROF to McFarlane, "[Redacted] Meeting," 1/22/86 20:03:57, Reply to note of 01/21/86 23:25 [one of the PROFs recovered during the "hex dump" of White House computers in 12/87 for any messages missed during earlier searches of those computers; see also 86/01/21-100, 86/02/01-100].)
86/01/22-140 SOMETIME IN JANUARY OR FEBRUARY 1986		DIVERSION: ISRAELI FUNDS FROM THE 11/85 SHIPMENT NORTH ACCOUNT: At the time of the November 1985 HAWK shipment there was no understanding between the Israelis and Secord or North that the million dollars deposited in the Lake Resources account would go to the Contras, North testified. But in January or February 1986 the Israelis asked about the money left over from the never-completed shipment. North narrated: "Mr. NORTH. . . . And I told them we used it for the purpose of the contras, and they acknowledged that. "Mr. NIELDS. When you say acknowledged, you	DIVERSION: ISRAELI FUNDS FROM THE 11/85 SHIPMENT NORTH ACCOUNT: See col. 2.

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		mean they acquiesced? "Mr. NORTH. No one ever came back and asked for it again. "Mr. NIELDS. What was your authority for using that money for the contras? "Mr. NORTH. Well, I don't know that I actually had any in specific. By the end of January and early February, we had come to a conclusion that we were going to proceed to use funds generated by the sale of arms to Iran to support this initiative. "And we came to that through a rather circuitous route. . . ." (North Testim., JHICI, 7/7/87, at 146-47. See 85/11/20-010 for North testimony preceding this entry.)	
86/01/22-200 JANUARY 22, 1986			PLAN TO RELEASE HIZBALLAH PRISONERS NORTH NOTEBOOK ENTRY: In a notebook entry for January 22, 1986, North records a plan that includes the release of Hizballah prisoners held by the Southern Lebanon Army for hostages: "Phase I "A-Provide small piece of Intel "B-Iranian Govt will release $40M "C-$10M sent to [blank] "D-1000 TOWs, Basic Intel Package, Hizb[allah] Prisoners ( ) [sic] from [Southern Lebanon Army] = hostage release." (North notebook entry, 1/22/86 [Committee Document Q 1476]; Iran-Contra Report, at 215.)

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86/01/24-650 JANUARY 24, 1986			LEDEEN'S ROLE NORTH ACCOUNT: North PROF to Poindexter, "Subject: Mike Ledeen": ". . . More recent information tends to indicate that there is even further grounds for concern given what may well be/have been a financial arrangement among Schwimmer, Nimrod, Gorba and our friend. "MIKE LEDEEN" [Rest of PROF redacted.] (JHICI Ex. JMP 27. See 86/01/16-650 [North PROF to Poindexter, 1/16/86, on Ledeen]. But see 86/01/16-653 [Ledeen's denial that he profited].)
86/01/24-700 JANUARY 24, 1986			NOTIONAL TIMELINE FOR OPERATION RECOVERY NORTH MEMO, Part 1: Memorandum, marked "non-log" and "please destroy after reading," from North to Poindexter, "Subject: Operation Recovery": "Please find attached at Tab A a NOTIONAL timeline for major events in Operation Recovery. To my knowledge the only persons completely cognizant of this schedule are: "John Poindexter "Don Fortier "Oliver North "John McMahon "Clair George "Dewey Clarridge "Richard Secord

"Amiram Nir
"Prime Minister Shimon Peres
"RECOMMENDATION[:]

"That you privately discuss the attachment with the President

"[Approve/Disapprove lines not checked]"

"Notional Timeline for Operation Recovery[:]
"Friday, January 24
"-- CIA provide cube and weight data to Copp for a/c loading.
"-- CIA prepare intel sample for pass to Gorba.
"-- Copp provide a/c tail # to CIA for pickup at [redacted].
"-- [redacted]
"Saturday, January 25
"-- Dispatch intel sample to Gorba via Charlie Allen.
"Sunday, January 26
"-- C. Allen deliver intel sample to Gorba at Churchill Hotel, London.
"-- Copp finalize a/c requirements w/ air carrier in Oklahoma.
"[redacted]
"Monday, January 27
"-- Gorba place intel sample on 1300 GMT flight to Tehran fm Frankfurt, Germany.
"Wednesday, January 29
"-- Gorba transfer funds for purchase/transport of 1000 basic TOWs to Israeli account at Credit Suisse Bank, Geneva.

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			"-- Israeli account manager automatically transfers deposit fm Israeli account to Copp account in same bank (bank record keeping transaction). "-- Copp's account manager automatically transfers $6M to CIA account in same bank (bank record keeping transaction)." (JHICI Ex. JMP 30 [=Ex. OLN 270] [continued in next 2 entries].)
86/01/24-701 JANUARY 24, 1986			NOTIONAL TIMELINE FOR OPERATION RECOVERY NORTH MEMO, Part 2: [Continuing from previous entry:] "Thursday, January 30 "-- CIA transfers $6M to DOD account by wire service transaction. "-- CIA orders movement of 1000 TOW missiles fm DOD storage facility Anniston, Alabama, to [redacted]. "-- CIA bills Copp account $26K for cost of moving 1000 TOW missiles fm Anniston, Alabama, to [redacted]. "Friday, January 31 "-- [redacted] "-- [redacted] "Sunday, February 2 "-- [redacted] "-- Copp travels to Israel for site survey of transfer point (Eliat, Israel). "-- Copp proceeds to rendezvous w/ Clarridge to establish command post. "Monday, February 3 "-- [redacted]

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			"-- [redacted] "-- [redacted] "Tuesday, February 4 "-- 1000 TOWs sanitized and prepared for shipping [redacted] "-- Copp a/c packers arrive at [redacted] and arrange for Copp a/c to lift TOWs fm Kelly AF Base, San Antonio, TX, on CIA contract "Wednesday, February 5 "-- Copp a/c arrives Kelly AF Base for loading. "-- CIA provides remainder of first intel sample to Gorba at Iranian Embassy in Bonn, Germany. "Thursday, February 6 "-- Copp a/c commence lifting TOWs fm Kelly AF Base to transfer point at Eliat, Israel. "-- Israeli AF 'sterilized' 707 a/c arrives at transfer point for loading. "-- Copp aircrew arrives Eliat, Israel, to pilot Israeli a/c. "-- [redacted] "-- Remainder of first intel sample flown fm Germany to Tehran in diplomatic pouch on scheduled Iran Airways flight. "Friday, February 7 "-- Israeli 'sterile' a/c piloted by Copp crew commences movement of TOWs fm Eliat to Bandar Abbas, Iran, via Red Sea route. "-- [redacted] "Saturday, February 8

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			"-- Delivery of 1000 TOWs completed. "-- 25 Hizballah released by Lahad. "-- Returning Israeli a/c pickup 18 HAWKs at Tehran airport for return to Israel. "Sunday, February 9 "-- All U.S. hostages released to U.S./British or Swiss Embassy. "-- Second group of 25 Hizballah released by Lahad. "-- Israelis return $5.4M to Gorba when HAWKs land in Israel." (JHICI Ex. JMP 30 [= Ex. OLN 270] [continued in next entry].)
86/01/24-702 JANUARY 24, 1986			NOTIONAL TIMELINE FOR OPERATION RECOVERY NORTH MEMO, Part 3: [Continuing from preceding 2 entries:] "Monday, February 10 "-- Gorba transfers funds to Israel account for purchase/transportation of 3000 TOWs (amount transferred is sufficient to cover purchase of 508 additional TOWs owed to Israel for Weir release and all transportation costs). "-- Israelis transfer funds to Copp account at Credit Suisse Bank, Geneva. "-- Copp transfers funds to CIA account for purchase/transportation of 3508 TOWs ($21.048M). "-- Four (4) remaining Lebanese-Jews released by Hizballah. "Tuesday, February 11 (Anniversary of Iranian-Islamic Revolution)

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			"-- Khomheini steps down. "-- CIA transfers $21.048M to DOD account for purchase of 3508 TOWs at $6K each. "-- CIA starts moving TOWs to [redacted] fm Anniston, Alabama, in lots of 1000. "Thursday, February 13 "-- Copp packers return to [redacted]. "Tuesday, February 18 "-- Copp a/c pickup 1000 TOWs at Kelly AF Base, Texas; deliver to transfer point (Eliat). "-- Israeli 'sterilized' 707 a/c w/Copp crew commences delivery of 1000 TOWs to Iran. "Thursday, February 20 "-- Copp a/c pickup 1000 TOWs at Kelly AF Base, Texas; deliver to transfer point (Eliat). "-- Israeli 'sterilized' 707 a/c w/Copp crew commences delivery of 1000 TOWs to Iran. "Saturday, February 22 "-- Copp a/c pickup 1000 TOWs at Kelly AF Base, Texas; deliver to transfer point (Eliat). "-- Israeli 'sterilized' 707 a/c w/Copp crew commences delivery of 1000 TOWs to Iran. "Monday, February 24 "-- Copp a/c returns to [redacted] pickup 508 TOWs for delivery to Israel. "-- Collett (British hostage) and Italian hostages released and Buckley remains

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			returned. "Tuesday, February 25 "-- Second sample of intel provided to Gorba at Iranian Embassy in Bonn, Germany. "-- [redacted]" (JHICI Ex. 30 [= Ex. OLN 270] [continued from prior 2 entries].)
86/01/24-703 JANUARY 24, 1986			NOTIONAL TIMELINE FOR OPERATION RECOVERY CLARRIDGE ACCOUNT: "Mr. Eggleston. If you could look at Exhibit [DRC] 15 -- ". . . . "This is a document dated January 24, 1986. It has been called a notional time line document. Page 1 of this document reads, and it is a memorandum from North to Poindexter, 'To my knowledge, the only persons completely cognizant of this schedule are' and under the CIA witnesses, you are listed. The schedule listed is a very detailed schedule that details flights coming, flights going, weapons, all sorts of stuff. "It take it, it is your testimony, that this is erroneous? "Mr. Clarridge. I never saw this, and I don't think I was even in the country at the time, and if I was in the country, I was in the process of writing the document that became [redacted] and so, therefore, wouldn't have been involved anyway. "I would like to make one other point. As this operation began to take its new form after the 17 January finding, Colonel North wanted me

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			very much to be involved, and that didn't turn out the way it happened. But his intention was to get me involved, but the operation was run on a different way. "Mr. Eggleston. It was run instead, I take it, through the Near East Division? "Mr. Clarridge. Correct. "Mr. Eggleston. And not through [redacted?] "Mr. Clarridge. That is correct. "Mr. Eggleston. But this indication in the memorandum to Admiral Poindexter that you were completely cognizant of the schedule, which is a very detailed scheduled, that is inaccurate? "Mr. Clarridge. No, I wasn't." (Clarridge Testim., JHICI, 8/4/87, at 57-58; JHICI Ex. DRC 15 [North Memo to Poindexter, "Operation Recovery," with attached "Notional Timeline for Operation Recovery," 1/24/86].)
86/01/24-705 JANUARY 24, 1986			THE NOTIONAL TIME LINE REGAN ACCOUNT: "Mr. COHEN. Did you ever see the so-called notional time line that was submitted by Lieutenant Colonel North on January 24th, 1986? "Mr. REGAN. The what? "Mr. COHEN. The so-called notional time line. "Colonel North put together a notional time line on which he suggested that the Ayatollah Khomeini would retire on February 11. "Mr. REGAN. No, I never saw that. "Mr. COHEN. The release of 50 Shiite prisoners, the release of British and Italian hostages.

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			"Mr. REGAN. No, I never saw that. "Mr. COHEN. Would that have made a difference, that the arrangement was being added or burdened with those additional factors? "Mr. REGAN. I don't think so. I don't think you could be that precise. "The state of our knowledge of what the Ayatollah was doing was then--as far as I know, still is--very imprecise. I don't know how anyone could have predicted that. "Mr. COHEN. The only point I'm making is these so-called notional time matters were not disclosed to you or to the President, so far as you know? "Mr. REGAN. Not to my knowledge. "Mr. COHEN. And John Poindexter never indicated to you the price was going to be inflated some three or four hundred percent, not counting Mr. Ghorbanifar? Mr. REGAN. No." (Regan Testim., JHICI, 7/30/87, at 122-24. See Ex. JMP 30 [North memo to Poindexter, "Notional Timeline for Operation Recovery," 1/24/86].)
86/01/25-000 JANUARY 25, 1986			McMAHON ADVISES AGAINST CONTINUING THE IRAN INITIATIVE McMAHON CABLE: When John McMahon, the CIA Deputy Director, learns of the Iranians' request for a map depicting Iraqi battle positions, he cables Casey who is traveling overseas at the time: "1. A new dimension has been added to this program as a result [of] meeting held in London

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			between North and Ghorbanifar. We have been asked to provide a map depicting the order of battle on the Iran/Iraq border showing units, troops, tanks, electronic installations, and what have you. . . . ". . . . "3. Everyone here at Headquarters advises against this operation not only because we feel the principal involved is a liar and has a record of deceit, but, secondly, we would be aiding and abetting the wrong people. I met with Poindexter this afternoon to appeal his direction that we provide this intelligence, pointing out not only the fragility in the ability of the principal to deliver, but also the fact that we were tilting in a direction which could cause the Iranians to have a successful offense against the Iraqis with cataclysmic results. I noted that providing defensive missiles was one thing but when we provide intelligence on the order of battle, we are giving the Iranians the wherewithal for offensive action. "4. Poindexter did not dispute our rationale or our analysis, but insisted that it was an opportunity that should be explored. He felt that by doing it in steps the most we could lose if it did not reach fulfillment would be 1,000 TOWs and a map of order of battle which is perishable anyway. ". . . . "6. I have read the signed Finding dated 17 January 1986 which gives us the authority to do what the NSC is now asking. Hence, in spite of our counsel to the contrary, we are proceeding to

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			follow out orders as so authorized in the Finding. ". . . ." (CIA Cable, McMahon to Casey, 1/25/86 [Committee Documents C 0566-67; reprinted in Iran-Contra Report, Appendix A, Vol. 1, at 1183-84]. See Iran-Contra Report, at 222 [Report notes that Casey did not order McMahon to do otherwise.].)
86/02/00-000 SOMETIME IN FEBRUARY 1986		NORTH'S KL-43s SECORD ACCOUNT: North provides the Nicaraguan operation with a number of communication encryption devices, called KL-43s. They are distributed, one apiece, to Rafael Quintero, Gadd, Col. Steele and Mr. Cooper, Secord, North (in Washington), a senior CIA officer in Costa Rica, and to Southern Air Transport. (Secord Testim., JHICI, 5/5/87, at 180-81. For Castillo account, see above at 84/01/25-300; for Owen account, see 86/04/00-400.)	
86/02/00-040 DURING 1986		NORTH'S KL-43s POINDEXTER DEPOSITION ACCOUNT: "Q. Did you know that North had given out these KL-43s to a whole group of people operating in Central America? "A. I knew that after the fact. "Q. What does 'after the fact' mean? "A. After they had been distributed. I had no problem with it. In fact, as I testified on the second of May, we were concerned [redacted.]" (Poindexter, Senate Dep., 6/17/87, at 327.)	
86/02/00-050		NORTH'S CONTRA ACTIVITIES: DISTRIBUTING KL-43s	

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BETWEEN 1984 AND 1986		POINDEXTER ACCOUNT: "Mr. LIMAN. Is it true that you were aware that Colonel North distributed KL-43's to people involved in the airlift operation? "Mr. POINDEXTER. I don't recall that I specifically knew they were KL-43's. "Mr. LIMAN. But communications devices? "Mr. POINDEXTER. Yes, I knew about that after the fact. "In fact, I had expressed concern to Colonel North several times, because of the Soviet ability to intercept commercial telephone transmissions, that we needed to tighten up on communications security. "Mr. LIMAN. And is it also-- "Mr. POINDEXTER. And I was aware that he had obtained some equipment for that purpose." (Poindexter Testim., JHICI, 7/15/87, at 190.)	
86/02/00-100 SOMETIME IN EARLY FEBRUARY 1986		SECORD-CASEY CONTACT: NORTH INVOLVEMENT SECORD ACCOUNT: Secord calls North to arrange a meeting with Casey to complain about the lack of support from the CIA Central American Task Force. (Secord Testim., JHICI, 5/5/87, at 197; see also id., at 193-95, 198-201 [other meetings between Casey and Secord in Dec. 1985 and May 1986].)	
86/02/01-100 FEBRUARY 1, 1986			THE IRAN INITIATIVE: VIEWS WITHIN THE ADMINISTRATION POINDEXTER PROF: Poindexter informs McFarlane by PROF: ". . . The hostage plan is still working and

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			it calls for the hostages to be released on 9 Feb. Gorba also claims that Khomeni will step down on 11 Feb (doubtful). Gorba has also provided some useful terrorism information which CIA is working. George and Cap still disagree on policy grounds, but are cooperating. Bill, Ed Meese, Don Regan and I are fully onboard this risky operation, but most importantly, President and VP are solid in taking the position that we have to try." (Poindexter PROF to McFarlane, "Secure Equipment," 2/1/86 [one of the PROFs recovered during the "hex dump" of White House computers in 12/87 for any messages missed during earlier searches of those computers; see also 86/01/21-100, 86/01/22-010].)
86/02/01-250 SOMETIME IN JANUARY OR FEBRUARY 1986		THE RESUPPLY OPERATION: UDALL CORP. GADD ACCOUNT: Early in 1986, Gadd meets with Secord, North and Tom Clines in a restaurant in McLean, Virginia. Gadd learns that title to the resupply aircraft -- previously held by Gadd's company, Amalgamated Consolidated Enterprise -- is to revert to Secord's company, Udall Corporation. Gadd tells the group "that this was not my original understanding." Still, he "relent[s] and agree[s]." (Gadd, House Dep., 5/1/87, at 27-28.)	
86/02/01-290 SOMETIME IN FEBRUARY 1986		THE RESUPPLY OPERATION: AIRCRAFT GADD ACCOUNT: Gadd helps move the first plane, a C-7 Caribou, to a location in Central America for the resupply operation. (Gadd, House Dep., 5/1/87, at 26-28. See id. at 28 [Prop Air of Rouyn, Canada	

sold the plane for $500,000].)

86/02/01-293
JANUARY -
MARCH 1986

THE RESUPPLY OPERATION: C/CATF AWARENESS
C/CATF ACCOUNT, Part 1:

"Mr. Carome. In January 1986, I take it Oliver North recommended that Mr. Gadd handle the NHAO flights and you looked into Mr. Gadd yourself, and then recommended to Admiral [sic (Ambassador)] Duemling that Gadd be used on the flights; is that correct?

"[C/CATF.] Not exactly. And I can't put specificity into the entire sort of chronology. I would say that the discussions relating to -- well, let me set it in context with the problem that had taken place, the carrier that had been taking supplies down, Conner Air, was disenfranchised and [redacted] said no more Conner Air into [redacted] and they then said no more NHAO flights into [redacted] because this is a quack operation, you can't handle it clandestinely. There had been a couple of problems, NBC or public media television crews on the first two flights, a breakdown on the third flight, so [redacted] said absolutely stop it and Conner Air -- they said Conner Air couldn't fly in.

"So NHAO was faced with the problem of finding a new contractor.

"To the best of my recollections, during the Tuesday meetings, and there were lots of them, and they were intense because a problem that was critical to continuing the resistance was just literally moribund, it was damped up, things were coming in, nothing was going out. Concern was high, almost on the edge of panic.

"[Redacted.]

"That is where the [redacted] transshipment operation came in to being, at meetings in the RIG sometime in December.

"During those meetings, it is my recollection that the discussions of Richard, of Gadd, came up as a possible alternative supplier.

"They were discussed rather extensively and attendant to those discussions I was asked to go out and talk to Gadd, see what he was all about and to find out whether or not he was a viable trans -- or a viable shipper.

"Mr. Carome. North was pushing Gadd, wasn't he?

"[C/CATF.] Yes, he was.

"Mr. Carome. Did your background check reveal that Gadd would be working with Secord, Rafael Quintero and Southern Air Transport?

"[C/CATF.] No, because what we found out from Gadd, and I wanted the meetings -- there's another factor here now.

"My recollection is my meetings with Gadd, which were two to the best of my knowledge, the best of my recollection, took place in January-February.

"Now, another dynamic had taken place in January and February. We were also then planning for the vote in March on the $100 million problem of aid, and I had been tasked to come up with detailed planning as back-up for briefings of Members of Congress and discussions and saying how we were going to spend that money. We were actively looking at how we would handle air operations at that point in time, [redacted.] And we were talking to people. So my purpose in talking to Gadd was really to see what he was in terms of dealing with Ambassador D[ue]mling and to find out whether or not he was a viable contractor for the longer term.

"What we found out was that he was not. We found out that he did not have an operator's certificate, he was essentially a jobber, he was subleasing aircraft out from other areas that when you probed for details of his operations, he backed off and got very mystic, talked about classified DoD projects and couldn't tell a lot of background and so on and so forth.

"And I think that if you go to the testimony of General Secord, you will see that Mr. Gadd and General Secord subsequently reported they weren't very happy with those conversations because we kept probing for details, and my man, who handled the technical sides of those meetings, was a real stickler and he didn't like what he saw, and he came back and said, A, we don't want to deal with this guy, wrong airplanes, fly-by-night operation, better people; and, B, you should tell Ambassador Duemling that this is not a guy that he needs, should deal with after this [redacted] transshipment operation is over. So that's the essence.

"But to answer your specific question, I didn't uncover or see a connection with Secord at that point in time."

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		(C/CATF Testim., JHICI, 9/5/87, at 9-12.)	
86/02/01-294 JANUARY - MARCH 1986		THE RESUPPLY OPERATION: C/CATF AWARENESS C/CATF ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. Carome. I believe in your previous deposition, you said that you checked into Gadd, sent off [sic], what in your mind you called shyster alarms; is that right? "[C/CATF.] That's right. "Mr. Carome. Did you go and warn Admiral [sic (Ambassador)] Duemling to not use Gadd? "[C/CATF.] What we talked about was Gadd was into the [redacted] transshipment operation, but as soon as we were out of it, let's get away from Gadd. As soon as that was over and as soon as we could, I said as soon as you can disengage, you ought to disengage from Gadd. "There was a specific conversation sometime in March, and I don't put my finger on it when [redacted] said, okay, you guys have your act together; you can now fly directly into [redacted.] Duemling said, should we get away from Gadd, [redacted.] And I said, by all means get away from him, get out to the other contractors, and if you look at the NHAO records, I think you'll see in March that diversification taking place and that was directly because I didn't like what I saw with Gadd. "[Redacted] didn't like what I saw with Gadd and the vibes were all wrong. "Mr. Carome. By February, '86, I take it you knew that Felix Rodriguez was acting under the	

direction, or at least influence of Oliver North; is that right?

"[C/CATF.] Influence is the right word.

"Mr. Carome. And in fact, in February, '86, you were at [redacted] on one occasion and actually met and had a confrontation with Mr. Rodriguez; is that right?

"[C/CATF.] I had a confrontation with him. I sought him out. I sought him out.

"Mr. Carome. What was happening was that a plane was about to go t[o redacted] you didn't want that to happen, you said 'don't do that,' he said, 'Well, Oliver North has told me to do it,' you got North on the phone, and finally had to get North to give him an instruction not to take a plane to [redacted,] is that right?

"[C/CATF.] That's essentially it. There is a lot more detail. I know time is a factor. I won't go into the detail. In broad strokes, yes.

"Mr. Carome. So by this time, early '86, you were well aware that the same people who were handling the humanitarian flights for NHAO to include Gadd and Rodriguez, were also shipping lethal equipment to the contras?

"[C/CATF.] February-March, yes. Began to develop that picture, yes.

"Mr. Carome. The committees have been told this [redacted] operation, starting in the spring of '86 and continuing through the Hasenfus flight in September-October, '86, w[as] flying lethal supplies to the southern front forces. When did you first learn of that?

"[C/CATF.] I knew that they were. I probably

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		learned from reporting from [redacted] that they were attempting to do it sometime in March, in March, I would think." (C/CATF Testim., JHICI, 8/5/87, at 12-14.)	
86/02/01-300 SOMETIME IN FEBRUARY OR MARCH 1986		THE RESUPPLY OPERATION: EQUIPMENT PROBLEMS RODRIGUEZ ACCOUNT: The C-7 Caribou, referred to by North in his letter to Rodriguez of Sept. 20, 1985, finally arrives at the Central American air base where Rodriguez has arranged for space for storing loads and maintaining planes. Rodriguez testified, "It didn't actually arrive; it actually had an emergency landing before it got there. . . . It lost one engine . . . . It was in such poor shape that it could not fly with one engine alone, even at sea level after dropping everything from the inside it still would not fly so he [the pilot] had to make an emergency landing. . . . They dropped spare parts and spare engines, and even the manuals, spare tires and everything." (Rodriguez Testim., JHICI, 5/27/87, at 236-37.)	
86/02/05-200 FEBRUARY 5, 1986		THE RESUPPLY OPERATION: PERSONNEL PROBLEMS AND SECORD'S INVOLVEMENT RODRIGUEZ ACCOUNT: Richard Gadd informs Rodriguez' crew that a mechanic will be arriving at their air base. One of the employees at the resupply operation calls Rodriguez to tell him the mechanic is a problem: "[On the] first evening he drank 24 beers. The second day he drank 36, and he said he was told that this was a money making operation."	

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		On February 5, 1986, Rodriguez calls North ("maybe that is why I am security risk, I called him on the open telephone") to complain. North puts "Dick" on the line. "And later I [sc. Rodriguez] understood that Dick was General Secord." This is Rodriguez' first indication that Secord is involved in the air resupply operation. The next day Rodriguez sends the mechanic home. "I don't think he ever knew where he was or what type of operation it was." (Rodriguez Testim., JHICI, 5/27/87, at 245-47.)	
86/02/06-000 FEBRUARY 6, 1986			FAILED LONDON MEETING: THE FIRST CHANNEL SECORD ACCOUNT: Ghorbanifar fails to show for a meeting in London with North, Secord, and Nir. The date had been set at their Jan. 22/23 meeting. (Secord Testim., JHICI, 5/6/87, a 49.)
86/02/10-100 FEBRUARY 10, 1986		OWEN'S CONTRA ACTIVITIES: 2/10/86 REPORT OWEN MEMO, Part 1: Owen (TC [The Courier]), in a memo to North (BG [Blood and Guts; see 85/08/25-100]), gives "a pot-pourri of information which you may or may not already know; some of which I need some help on or some answers. ". . . . "Attached is a list of items Negro [Chamorro] would like to be given so he can equip another column of about 200 people. . . . They are expecting an airdrop of some 15,000 lbs[.] in the next ten days, yet NHAO does not know about it . . . . If the supplies are not delivered when	

CHRONOLOGY OF THE
JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION (JHICI)

LONG-FORM VERSION

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		they are supposed to be, our credibility will once again be zero in the South." (JHICI Ex. RWO 11. See Owen Testim., JHICI, 5/19/87, at 21-22.)	
86/02/10-101 FEBRUARY 10, 1986		OWEN'S CONTRA ACTIVITIES: 2/10/86 REPORT OWEN MEMO, Part 2: [Continuing from preceding entry:] ". . . . "-When Jack Singlaub was in Washington, I am told his hotel room was broken into and an intelligence report was stolen. This report was put together by Bill Kenny, an individual who has been working with Jack and Heinny Aterholt (sp?). Bill is a competent individual and a straight shooter. He has spent alot [sic] of time in [redacted] and just returned before sending the report to Jack. Was in [redacted] too. "According to Bill, his report was not favorable to the Calero brothers and it included bank account numbers in Europe and the Carribbean. Seacords [sic] name was mentioned as well as Klines [sic]. Bill did not want to talk about it at great length over the phone, but did say he would give me a copy and fill me in when he sees me. This will probably be next week. "-The bill from the law firm comes from them putting together that paper on setting up some corporations. Do you think you could cover it? It is for $532.37. "-GAO is investigating me and asking a number of questions, including why I am being paid by NHAO and what exactly do I do?	

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		". . . ." (JHICI Ex. RWO 11.)	
86/02/13-100 FEBRUARY 13, 1986			IRAN ARMS TRANSACTION, 2/86 NORTH PROF: In a PROF to Poindexter on February 13, 1986, North details the status of the Iran Initiative: "Operation Rescue is now under way. 1000 items are currently enroute to CIA's [redacted] from Anniston, Alabama. Copp [Secord] is enroute to Ben Gurion Apt [Airport] to conduct final briefing for his flight crews who arrived today and commenced fam flights on the two Israeli 707s. All 1000 items will lift off from Kelly AFB at 1400 on Saturday. 500 will be delivered to Bandar Abbas to arrive at dawn on Monday. The meeting we had wanted to pass the second set of intel has now been slipped to Weds by Gorba. . . . If all goes according to plan, [the Southern Lebanon Army] will release 25 Hizballah shortly after . . . hopefully on Friday. This will keep our schedule for releasing the Americans on for Sunday, Feb. 23. Something to pray for at church that day." (North PROF to Poindexter, "Private Blank Check," 2/13/86 [Committee Document N 12117-18]; Iran-Contra Report, at 217.)
86/02/15-100 MID-FEBRUARY 1986			FIRST CHANNEL AGREEMENT FOR MORE TOWs SECORD ACCOUNT: Secord learns that Nir, Ghorbanifar and North have worked out an agreement over the phone: "[T]he plan was to deliver 500 TOWs as a sign of our willingness and good faith and then to have

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			the meeting in Europe [among Iranian and U.S. officials] and then if the meeting were judged to be a successful meeting, to deliver the balance of the first 1,000 TOWs, another 500." (Secord Testim., JHICI, 5/6/87, at 49-52.)
86/02/15-110 MID-FEBRUARY 1986		DIVERSION SECORD ACCOUNT: $2.6 million from the February 1986 TOW transaction is targeted for the Contras. See col. 3.	FINANCES (AND DIVERSION) FROM THE 2/86 TOW TRANSACTION SECORD ACCOUNT: Ghorbanifar deposits $10 million for 1,000 TOWs in the Lake Resources account. Lake Resources "transfer[s] the money to the U.S. Government, to an account that the agency gave us in Switzerland." $5.4 million is paid out: $3.7 to the U.S. Government to cover the price of the 1,000 TOWs; $822,000 "fenced out or set aside to purchase Israeli TOWs" to replace those sent to Iran in August and September 1985 (this amount plus $1.4 million from the Israelis is paid to a CIA account); and $850,000 for the immediate expenses of the current project. Of the remaining $4.6 million, $2 million is left in a CD maintained throughout "the entire period of the operation, because we were always looking forward to the next cycle." The final $2.6 million surplus is targeted for the contras: "Colonel North's position was consistent throughout in February and later that he wanted me to use all available surpluses to support the Contra project. On Feb. 19, 1986, Secord starts moving the TOWs out of Texas. (Secord Testim., JHICI, 5/6/87, at 53, 65-68, 81.)

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86/02/17-100 FEBRUARY 15-17, 1986			THE 2/86 TOW TRANSACTION: FIRST 500 TOWs SHIPPED SUMMARY: Once the DoD receives notice that the CIA has the money to cover the cost of the TOWs, possession of the 1,000 TOWs is transferred from the DoD to CIA. Thereafter, on February 15 and 16, separate flights of Southern Air Transport aircraft leave Kelly Air Force Base, each carrying 500 TOWs to Tel Aviv. Upon arriving in Israel, the cargo is unloaded from the planes and stored by Israeli military officials for transshipping to Iran. On February 17, the first Israeli charter plane delivers 500 TOWs to Bandar Abbas. Before leaving Iran, the aircraft is loaded with 17 I-HAWK missiles which had been rejected by Iranian Defense officials following the 11/85 shipment. The Israeli aircraft returns the next day to Tel Aviv. (Iran-Contra Report, at 217-18 [citing Secord]. See 86/02/19-000, 86/02/22-000 [Secord testimony on the 2/86 TOW shipment]; 86/02/27-270 [second shipment of 500 TOWs].)
86/02/18-400 FEBRUARY 18, 1986			FRANKFURT MEETING: PREPARATIONS NORTH MEMO: North sends a non-log memorandum to Poindexter, "Subject: Operation Recovery." Marked at the top "please destroy after reading," the memo states: "The following is text of encrypted message

from Copp at 0830 this morning:

"'Aircraft returned safely to Ben Gurion this morning at 0730 EST. Seventeen HAWK missiles aboard. Gorba called one hour ago. [Redacted] will head Iranian side of meeting in Germany along with five others. . . . All will arrive via private plane in Frankfurt, Thursday, p.m. Meeting to start at Iranian Embassy (sic) [sic] for two hours. Iranians would then proceed back to Iran to check 'quality' of data. Iranians have asked for second delivery of 500 TOWs on Friday a.m. They say they will release all hostages, if, [redacted; but see Tower, B-75: "REPEAT, if [intelligence is good]."] They say we will get hostages Friday or Saturday. They envision a future meeting in Iran with us to consider next steps while we are delivering balance of TOWs (3,000). [Redacted.] We have already rejected embassy as meeting site. Suggested following names from our side:

"Nir (Office of Israeli Prime Minister)

"MGEN Adams (Director, Current Intelligence - DIA) (AKA - Secord)

"William Goode (Office of President)

"Albert Hakim (Support Assistant to Director DIA)[]

"Based on the above, the CIA (Clarridge) has been asked to produce documents identifying Adams as DIA to avoid having Copp use his own passport. To date, CIA has refused to provide him with any alias documentation. Albert Hakim is VP of one of the European companies set up to handle aid to resistance movements. He is fluent in farsi and

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			would need one time alias documentation as a DIA official. "It is recognized that there is a significant problem [redacted]. However, we appear to be much closer to a solution than earlier believed [redacted] attendance at the Frankfurt meeting tends to support our hope that this whole endeavor can succeed this week, if we APPEAR to be forthcoming. "RECOMMENDATION[:] "That you urge Director Casey to provide [redacted] on Thursday in Frankfurt. "Approve [initials signed on approve line:] JP" (JHICI Ex. JMP 31.)
86/02/19-000 FEBRUARY 19, 1986			THE 2/86 TOW TRANSACTION: TRANSIT TO ISRAEL SECORD ACCOUNT: 1,000 TOWs are moved out of Texas on 2 Southern Air Transport 707s to Israel. Beginning about Feb. 22, the first 500 TOWs are then shipped to Tehran. (Secord Testim., JHICI, 5/6/87, at 53.)
86/02/22-000 FEBRUARY 22, 1986			THE 2/86 TOW TRANSACTION: TRANSIT TO IRAN AND RETURN OF THE 11/85 HAWKs SECORD ACCOUNT: The first 500 (out of 1,000) TOWs are shipped to Tehran on an unmarked Israeli 707 chartered by Secord. Secord pays for use of the plane and furnishes a crew from Southern Air Transport. They fly the 500 TOWs to Bandar Abbas on the southern coast of Iran, unload them, and then fly

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			on to Tehran where they pick up 17 of the 18 HAWKs the Iranians had rejected in November. They then fly back to Tel Aviv. (Secord Testim., JHICI, 5/6/87, at 53-56.)
86/02/23-950 SOMETIME IN FEBRUARY 1986	THE ENTERPRISE DIAGRAM HAKIM ACCOUNT: According to Hakim, in February 1986 he had a chart drawn on a computer with the help of CSF, and he gave it to Secord. The chart depicts a global division of offshore companies intended to carry on covert operations in South America, the Middle East and Africa. For each of these three geographical areas, the chart allocates three companies to collect, hold, and finance covert operations in that theatre. (JHICI Ex. AH 1 [= Ex. OLN 328; also Iran-Contra Report, at 334, Figure 22-1]; Hakim Dep., 5/22/87, at 86, 93-94, 114-15. See Iran-Contra Report, at 333-34.)	THE ENTERPRISE DIAGRAM HAKIM ACCOUNT: See col. 1.	THE ENTERPRISE DIAGRAM HAKIM ACCOUNT: See col. 1.
86/02/24-000 FEBRUARY 24 OR 25, 1986			FRANKFURT MEETING: THE FIRST CHANNEL SECORD ACCOUNT: Meeting in Frankfurt, West Germany at the Airport Hotel. Present: North (head of the U.S. delegation); Secord; Chief of the Near East Sec. (CIA); Albert Hakim (Secord's partner, acting as translator and interpreter); Nir (under U.S. cover); an official from the Iranian Prime Minister's office with his aide; 2 Iranian military officers; and Ghorbanifar. At the main meeting (which Secord does not attend but which is taped secretly), the parties discuss U.S.

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			strategic objectives, U.S. concerns for the Soviet threat in the region, and the U.S. desire to see an honorable end to the Iran-Iraq war. An arms for hostages deal is not discussed. Secord and the CIA official brief the Iranians with details of the Iran-Iraq border to show the type of information which the U.S. could provide under an intelligence exchange agreement. (Secord Testim., JHICI, 5/6/87, at 57-64.)
86/02/24-200 FEBRUARY 24, 1986			NORTH-HAKIM CONTACT HAKIM ACCOUNT: Hakim meets North "in connection with the Iranian Initiative in February of 1986 in Frankfurt." Hakim testified, "I had learned quite a bit about Colonel North through General Secord prior to meeting him, and I was very anxious to meet him, and I continued to learn more about him as we worked together." (Hakim Testim., JHICI, 6/3/87, at 227-28. But see 85/10/01-300 [Gadd testified that he believed Hakim and North attended a meeting in Costa Rica in about 10/85 concerning the Costa Rican airstrip. Secord and Olmstead also attended. (Gadd, House Dep., 5/1/87, at 19-24.)].)
86/02/24-205 AROUND FEBRUARY 24, 1986			NORTH-HAKIM CONTACT NORTH ACCOUNT: "Mr. JENKINS. I want to--I don't want to repeat everything, but I want to know, had you ever met Hakim up until that November? "Mr. NORTH. I may have, but I do not recall

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			meeting him at this point. I don't recall having met him until February of 1986. "Mr. JENKINS. That was the first time you had met him? "Mr. NORTH. I believe that is correct, sir." (North Testim., JHICI, 7/10/87, at 158. See id., 7/13/87, at 52-53 [North meets Hakim in 2/86]. But see 85/10/01-300 [Gadd placed Hakim and North at a meeting in Costa Rica concerning the airstrip in about 10/85].)
86/02/24-300 FEBRUARY 24, 1986			FRANKFURT MEETING: THE FIRST CHANNEL HAKIM ACCOUNT: Hakim attends the Frankfurt meeting after Secord calls him in Geneva and has him come to act as interpreter. Ghorbanifar and Hakim have a history together, however, and Ghorbanifar has told Secord he does not want Hakim at the meeting. North arrives in Frankfurt and meets with Hakim, Secord and a CIA official to discuss how to get Hakim into the meeting. The CIA cannot disguise him in time. Secord turns to Hakim and says, "Albert, you have shown that you are resourceful. Why don't you go and solve this problem?" Hakim rushes out and buys a wig and is back within an hour. Hakim testified, "Anyway to make a long story short, I came back and . . . when General Secord and Colonel North looked at me, they could not believe their eyes. They said that no way Mr. Ghorbanifar would recognize me. . . . "Mr. NIELDS. I take it you then attended the meetings with Mr. Ghorbanifar wearing this wig?

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			"Mr. HAKIM. Face to face, yes. "Mr. NIELDS. And he did not, to your knowledge, recognize you? "Mr. HAKIM. That is correct. "Mr. NIELDS. And I take it that the reason you were there was to act as an interpreter? "Mr. HAKIM. Yes, I was introduced as a special interpreter for the President of the United States, to impress the Iranians." (Hakim Testim., JHICI, 6/3/87, at 284-88.)
86/02/24-400 AROUND FEBRUARY 24, 1986			FRANKFURT MEETING: HAKIM ROLE HAKIM ACCOUNT: "Mr. HAKIM. First of all, I attended two different meetings, and one was the so-called political, and the other one was the military. During-- "Mr. NIELDS. The political one, I take it, was attended by officials of the goverment of Iran? "Mr. HAKIM. Yes. "Mr. NIELDS. And officials of the U.S. Government? "Mr. HAKIM. That is correct. "Mr. NIELDS. And I take it this was the first meeting of officials of both governments in some time? "Mr. HAKIM. That is correct. "Mr. NIELDS. Okay, continue. "Mr. HAKIM. Basically we agreed that I come in and sit there and allow Mr. Ghorbanifar to do the translation, and I just stayed there to see how he does. I was introduced to them and he knew

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			that I spoke Farsi. I greeted them in Farsi, spoke a little bit in Farsi. "So Mr. Ghorbanifar started with a translation and there came a time that I decided that I should no longer take the passive role and should interfere because right in front of my two eyes and my two ears the translation was taking a direction that was serving Mr. Ghorbanifar's purposes best. So I had to take a more active part. "Mr. NIELDS. Was he accurately translating what the Iranian officials were saying? "Mr. HAKIM. There were many times that he was not accurately translating. So I sort of took charge there and started to do the translation and soon[,] after[] a few minutes[,] I found out that what the American delegation was saying and what the Iranian delegation was saying, they were absolutely on two different frequencies. They were going past each other. "Mr. NIELDS. In what fashion? "Mr. HAKIM. Well, Colonel North was heading the U.S. delegation and his emphasis was to establish, to take steps that would take us to establishing a relationship with Iran, normalizing the relationship. It was a long-term objective and at the same time he was referring to removal of obstacles and the obstacles, he meant the hostages. But . . . the approach of Colonel North was long-term where the approach of the Iranian official was highly only focused on purchase of weapons. "And I would bring them around and get them

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			across to talk about the same thing. They would continue for a short while to discuss about the long-term relationship, but before I knew it they were back, each one, to what I call back to their own frequencies, and I didn't see the meeting going well. I didn't have a good feeling about it because I was convinced that the gentlemen who came from Iran had definite requirements, and he did not want to divert his attention from the requirement that he had and later on my assessment proved to be correct." (Hakim Testim., JHICI, 6/3/87, at 288-90.)
86/02/24-410 PRIOR TO FEBRUARY 24, 1986			HAKIM BACKGROUND AND BAKSHEESH HAKIM ACCOUNT: "Mr. LIMAN. . . . Mr. Hakim, you began your business career in Iran, is that correct? "Mr. HAKIM. That is correct, sir. "Mr. LIMAN. And you spent most of your business career there? "Mr. HAKIM. I did most of my business with Iran. "Mr. LIMAN. And you, as a businessman operating there and doing business with Iran, you operated by the customs and practices of that country. Is that so? "Mr. HAKIM. That is correct. "Mr. LIMAN. And is it also so that one of the practices there is Baksheesh? "Mr. HAKIM. It certainly was. I have been away from the country since the revolution. "Mr. LIMAN. When you operated there, is it a fact that baksheesh was a practice?

"Mr. HAKIM. Yes, it was.

"Mr. LIMAN. And baksheesh involved giving kickoffs or payoffs to government officials, is that so?

"Mr. HAKIM. Entitlement, yes.

"Mr. LIMAN. The government officials considered it their entitlement, correct?

"Mr. HAKIM. Everybody did.

"Mr. LIMAN. And the person who gave the payoff considered it a blessing, I think you have said before. It was a----

"Mr. HAKIM. It was not considered as something unethical.

"Mr. LIMAN. Indeed, payoffs were an accepted part of the business life in Iran. Is that so?

"Mr. HAKIM. It was then, yes.

"Mr. LIMAN. And if you didn't do it you couldn't get things done?

"Mr. HAKIM. Generally speaking, you are correct, sir.

"Mr. LIMAN. Now, in your business career, you engaged in that practice?

"Mr. HAKIM. Only dealing under those circumstances.

"Mr. LIMAN. And that included making payoffs to officials in Iran, including generals, is that correct?

"Mr. HAKIM. That is correct, sir.

"Mr. LIMAN. And in doing this did you from time to time use Swiss accounts to accomplish that?

"Mr. HAKIM. That is correct.

"Mr. LIMAN. And is it a fact that you would

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			put money in Swiss accounts in names other than th[ose] of the recipients? "Mr. HAKIM. Yes[,] sir. "Mr. LIMAN. And you would in effect hold the money for them in a secret way? "Mr. HAKIM. Yes. "Mr. LIMAN. And is it also a fact that you operated on the basis of trust, without written agreements, in holding money? "Mr. HAKIM. In connection with the Iranians, yes." (Hakim Testim., JHICI, 6/4/87, at 90-92. On baksheesh, see also 86/09/25-200, -201 [North Executive Session testimony].)
86/02/24-412 AROUND FEBRUARY 1986			CIA VIEW OF HAKIM GEORGE ACCOUNT: "Mr. Sarbanes. . . . [D]id you know of Hakim's involvement in the Secord-Hakim enterprise? "Mr. George. We knew Hakim was involved by the spring of 1986 after the finding because as we were enjoined by the President to support this activity in [redacted] in the first or second meeting, I can get the record for you, who[m] do we find as the Farsi-English interpreter -- we don't find an American who works for our side that we can sort of count on, we find some guy -- some -- I shouldn't call him some businessman from Switzerland -- he holds a green card [redacted] but he is interpreting. I say hold it, at least I have to get an interpreter whom I know is my fellow American and that is when dear George Cave

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			got involved. "Mr. Sarbanes. What is the agency's reports or knowledge about Hakim? "Mr. George. That he was a very successful, very prominent American, I think it is a naturalized American, Iranian businessman who had been in Tehran and had had dealings with the American embassy, was well-known, had fled the country at the time of the fall of the Shah, had very important contacts, the kind of guy we deal with all over the world, may know somebody of importance, could pass us information, the kind of person we like to deal with, but not the person I would choose to be in the middle of a clandestine U.S. operation running it." (George Testim., JHICI, 8/6/87, at 112-13.)
86/02/24-420 AROUND FEBRUARY 24, 1986			FRANKFURT MEETING: HAKIM ROLE AND BAKSHEESH HAKIM ACCOUNT: "Mr. LIMAN. Now you learned, did you not, over the course of these negotiations that there were at least some Iranians who regarded the old system of baksheesh [paying 'entitlements' to officials] as operative. You testified about the conversation in Frankfurt in February of 1986? "Mr. HAKIM. Yes[,] sir. "Mr. LIMAN. And I am not sure that that conversation was fully appreciated. But am I--did I understand you to say that one of the representatives of the Iranian delegation pulled you aside after the meeting had blown up? "Mr. HAKIM. The first channel, sir. ". . . .

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			"Mr. LIMAN. And this was after the meeting had not resulted in an agreement. Am I correct? "Mr. HAKIM. Well, the result of the meeting was to have another meeting in Tehran. "Mr. LIMAN. But they had not agreed to all the terms. Am I correct? "Mr. HAKIM. Yes. "Mr. LIMAN. And the Iranians, among other things, wanted Phoenix missiles. Is that not so? "Mr. HAKIM. That is correct. "Mr. LIMAN. And did I understand you to say that this member of the Iranian delegation asked you to go back and . . . tell the President of the United States that he would get a personal payment if he arranged for the Phoenix missiles to be sold to Iran? "Mr. HAKIM. That was my impression. "Mr. LIMAN. And you set that Iranian official straight. Am I correct? "Mr. HAKIM. Definitely. "Mr. LIMAN. You told him that that is not the way things are done in the United States? "Mr. HAKIM. Definitely, sir. "Mr. LIMAN. Now, did you report on this conversation that you had with this Iranian official to North? "Mr. HAKIM. I don't know whether I, first of all, took it all that seriously, and secondly, General Secord was standing there next to me when this gentleman was whispering into my ear, and I immediately told him after the gentleman left. We both found that to be really humorous. "Mr. LIMAN. You took it as a serious offer,

didn't you, and didn't you tell him that is just not the way things operate in this country?

"Mr. HAKIM. Well, with all due respect to this gentleman, I never took him seriously about anything he said even during the official meetings.

". . . .

"Mr. LIMAN. And at that time you were posing as the personal interpreter of the President of the United States?

"Mr. HAKIM. This is what I was told to tell him.

"Mr. LIMAN. Told to tell him that by the United States officials, North--; is that correct?

"Mr. HAKIM. That is why he pulled me aside. He thought I am closer to the President.

"Mr. LIMAN. He thought you had access?

"Mr. HAKIM. Yes.

"Mr. LIMAN. Now, the reason I am asking you these questions is that in any reasonable person's mind this would raise serious doubts about whether this initiative should go forward. So as I understand your--

"Mr. HAKIM. That is the wrong conclusion, sir. I am saying that this channel was selected by Mr. Ghorbanifar, who did not have the same motivation that our group had. He simply was seeking to profit where our intention was not limited to Albert Hakim profiting but also to try to reestablish the relationship.

"Therefore, Mr. Ghorbanifar chose a faction that did not have the proper credentials to be the party to the negotiations with the United States

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			and the second channel definitely had the credentials. "Mr. LIMAN. Well, what I am asking you is: did you communicate to an official of the United States that this faction which you were dealing with had made this proposition? "Mr. HAKIM. I told this to General Secord. "Mr. LIMAN. But you understood that General Secord was not an official of the United States? "Mr. HAKIM. Neither was I. ". . . . "Mr. LIMAN. And the answer to the question is so far as you know this proposition was not conveyed to anyone who was, in fact, in the United States Government. Is that not so? "Mr. HAKIM. Mr. Liman, I do not know the bureaucracy within the Government. I don't know. "Mr. LIMAN. I just asked you what you know. Whether you know it was communicated or not. "Mr. HAKIM. I said I don't know." (Hakim Testim., JHICI, 6/4/87, at 149-53. See id., 6/4/87, at 90-92 [baksheesh, the Iranian practice of paying off officials with their "entitlements"].)
86/02/24-600 FEBRUARY 24, 1986			PRESIDENT'S VIEW OF IRAN POINDEXTER ACCOUNT: "Mr. COURTER. . . . Finally, I would like to say that it would be nice, it would be just wonderful, if we had a tape recording of the President of the United States very early in 1986, a transcript of saying--stating what the President's real intentions were with the Iranian

initiative way back in February 1986.

"The point I am trying to make--and this is the first time, to my knowledge, it has been revealed--we have precisely that. We have a contemporaneous interview with the President of the United States and a nationally syndicated columnist, Dale Van Atta, who works with Jack Anderson.

"That was reduced to writing, sent to Dale Van Atta, and I would like to read the comments of the President in an interview February 24th, 1986. I think the date is quite significant. It is in between the first two shipments from the United States to Iran. I have a transcript of the President's precise words here. I think it would be helpful to this committee.

"Mr. Van Atta said, 'I am going to move on to the next country, because we have limited time here. I am sorry I have to be so rapid. This is on Iran. For six years now, they have been waging a terrorist war against us, and there are at least 264 American bodies that can be--that can count on as being responsible for including [sic], as we reported, William Buckley last year, whom they tortured mercilessly. I know there is [sic] still four hostages there now and that may preclude you from saying anything. If that does, and I will agree not to run any statement you would make until after the hostages were home safely. What I would like is just your gut feeling on what we need to do about Iran and what we should do about Iran.'

"The President: 'Well, as you pointed out

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			. . .' Van Atta interrupts. I guess we can interrupt you if he interrupted the President. 'I can hold this until after the hostages are home,' Van Atta says. "The President: 'Yes, you hold it because unlike some of the--and I can understand their families' impatience in thinking nothing is going on because they don't see it out in front. We are doing . . .' Another interruption. "Question: 'No. I am aware you are doing a lot on it.' "The President: 'Yes. We have been working every hour.' "Question: 'Very closely at different times, too?' "The answer the President gives: 'Yes, and investigating every possible opportunity to get them back so I can't comment very much; but, again, with your protection that this won't be done while they are there . . .' "Question: 'What you say now we will not read until after the hostages come home.' "And this is the President's response. I think it clearly indicates to him, if I can editorialize what was on his mind February 24th, 1986. "The President: 'All right. The Iranian situation. We have to remember that we had a pretty solid relationship with Iran during the term of the Shah. We have to realize also that that was a very key ally in that particular area in preventing the Soviets from reaching their age-old goal of the warm water ports and so forth.

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			And now with the take-over by the present ruler, we have to believe that there must be elements in Iran that--when nature takes its eventual course--they want to return to different relationships.' "The President goes on, 'So our conduct must be motivated on--we have to oppose what they are doing and what is going on. We at the same time must recognize we do not want to make enemies of those who today could be our friends.' "That is the first time, to my knowledge, that we know there was a tape recording of the President, February 1986, which in my mind clearly indicates the President's intentions at that particular time. "I will allow you to respond, but let me just say the record reflects you are not in the room, the record reflects that Don Regan was there, Mr. Van Atta was there, the President was there and perhaps one other person. Would you like to respond to that? "Mr. POINDEXTER. I would like to confirm that indeed the President did say those things. I was not there. In fact, I am not really sure I knew there was an actual transcript of that meeting. The President told me about his meeting afterwards, and I frankly was very nervous that he had told Mr. Van Atta an awful lot of information, and I just hoped it would remain quiet, as it did, that they held to their word." (Poindexter Testim., JHICI, 7/20/87, at 216-19.)
86/02/25-100			THE 2/86 TOW TRANSACTION: SECOND SHIPMENT

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LATE FEBRUARY 1986			SECORD ACCOUNT: After the Frankfurt meeting, the second set of 500 TOWs, waiting in Tel Aviv after their trip from Texas, are shipped to Iran. (Secord Testim., JHICI, 5/6/87, at 64.)
86/02/25-200 SOMETIME IN LATE FEBRUARY 1986			THE 2/86 TOW TRANSACTION: PRESIDENT'S APPROVAL REGAN ACCOUNT: "Mr. SMILJANICH. Moving back to the January-February time frame, in late February . . . you and the President were aware that 1,000 TOW missiles had been shipped to Iran from the United States? "Mr. REGAN. Yes. "Mr. SMILJANICH. The President knew of and approved those shipments? "Mr. REGAN. Yes. "Mr. SMILJANICH. And under the plan that had been discussed with the senior advisers in January, upon the shipment of this first 1,000 TOW missiles all of the American hostages held in Lebanon were supposed to be released; isn't that correct? "Mr. REGAN. Yes. "Mr. SMILJANICH. When no hostages were released after shipment of those TOW missiles, what did you recommend the President do about the fact that the Iranians had broken their word? "Mr. REGAN. I told him I thought we ought to break it off, that we have been snookered again, how many times do we put up with this rug merchant type of stuff--or words to that effect. "Mr. SMILJANICH. . . . [W]hat was the

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			President's attitude or decision? "Mr. REGAN. I think he shared my view that we had been had. "Mr. SMILJANICH. Did he instruct anyone to terminate their activities? "Mr. REGAN. No. There was a pause then and I sort of lost track of what was going on. At that point we were deep in the middle of the tax bill and the budget battle and I sort of lost track of what was going on. I wasn't paying that much attention to it." (Regan Testim., JHICI, 7/30/87, at 46-47.)
86/02/25-220 FEBRUARY 1986			THE 2/86 TOW TRANSACTION: WEINBERGER'S KNOWLEDGE WEINBERGER ACCOUNT: "Mr. EGGLESTON. . . . [I]n mid-February of 1986, the Department of Defense transferred the first batch of TOWs to the CIA, a batch of 1,000. Did you know that that was happening at that time? "Secretary WEINBERGER. Yes. ". . . . "Secretary WEINBERGER. It was all part of this original assignment and discussion, and as these transactions were carried out at various stages that they would be moved to CIA--would be picked up by the CIA, this would be reported to me in the normal course by the military assistant. "Mr. EGGLESTON. Did you also know that they were then shipped within several days after that by the CIA through-- "Secretary WEINBERGER. I did not know that, but I knew that was the thrust of the President's order.

"Mr. EGGLESTON. You assumed that that was what was going to happen?

"Secretary WEINBERGER. Yes."

(Weinberger Testim., JHICI, 7/31/87, at 122-23.)

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1986

OWEN'S CONTRA ACTIVITIES: 2/27/86 REPORT
OWEN MEMO:

Owen ("TC," "The Courier") tells North ("BG," "Blood and Guts"; see 85/08/25-100) in a memo titled "Present Situation":

". . . .

"-A list of four suggestions have [sic] been presented to Elliot [sic] for the broadening of UNO. I understand he thinks they are a good idea and is going to ask [redacted] to see that they are moved on. Elliot, through Bob Kagen, has stressed flexibility in regards to all of them. The list was presented by Ulvert and Cameron on behalf of Robelo and Cruz who are in agreement, at least that is what I understand.

"The points are:

"-Bosco is sent out of Washington. Carlos or whoever is UNO's rep in Washington, does not want to have to work with a parralel [sic] FDN structure. Bosco is not acceptable as a Number 2 in the UNO Office.

"-A new Secretary General is named for UNO. Valdevia is dumped for being ineffective. The new Secretary General will have more power and be more effective.

"-ALL FUNDS, be they from outside sources or USG sources, go into an UNO account. No more private FDN accounts.

"-A coordinator for the Triple A be named. The obvious person being suggested is Cruz. This is not necessarily a major point, as it is not a mandatory change, just a suggestion.

"[Redacted.]

". . . .

"-The lethal supplies were still in [redacted] as of the beginning of this week. The Agency told [redacted] East and Company are not to move the goods. East says he will, but he just needs another account to charge it to. Do you have one in mind?

"-Last Thursday [redacted] told me in [redacted] the Carribous were not to be flown over the border, at least this is what Washington was telling [redacted]. He also said if they are flown in, gringos are not to fly them, and they certainly are not to fly lethal cargo. East's comment is 'I'll fly anything anywhere, just give me an account.'

"-Negro's people are still waiting for a drop. As a show of good faith, they want [redacted] rds of FAL and [redacted] rds of AK. Advise you check on where this stands.

"-The team of Brooklyn's people are still waiting for some lethal hardware to take in with them. A request went from [redacted] but understand there still is no movement. Am told Max can acquire the necessary goods in [redacted] for under $6,000. Any thoughts?

". . . .

"My biggest concern is this whole effort has

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		turned into a three ring circus without a ringmaster. There is no central leadership. Elliot and State are trying to fill part of the vaccum [sic], but they are not operationally oriented. ". . . ." (JHICI Ex. RWO 12 [all words capitalized in original].)	
86/02/27-100 FEBRUARY 27, 1986		NORTH'S AND OWEN'S CONTRA ACTIVITIES OWEN MEMO: Owen (TC) memo to North (BG) refers to lethal supplies, and states that "Negro [Chamorro's] people are still waiting for a drop" of lethal equipment. "Mr. EGGLESTON. . . . It says, 'Advise you check on where this stands'; do you see that? "Mr. OWEN. Yes. "Mr. EGGLESTON. So, in fact, at the time you were writing this memorandum you anticipated, and I take it that the contra leaders anticipated, that he [sc. North] would do something in order to help out getting this lethal drop to Negro Chamorro; is that correct? "Mr. OWEN. Yes, sir." (JHICI Ex. RWO 12; Owen Testim., JHICI, 5/19/87, at 23-24.)	FRANKFURT MEETING: RECAP NORTH-McFARLANE PROFS: Series of PROFs [see entries starting at 86/02/27-105 for texts] between North and McFarlane describing North's participation in a meeting in Frankfurt with an official of the Iranian regime. The official had told North that all the hostages would be released shortly after McFarlane's summit with the Iranians. While Casey and Poindexter had been skeptical about holding the meeting, they have since come "on board" and "with the grace of God, five hostages might soon be released." McFarlane responds, "Roger[,] Ollie. Well done--if the world only knew how many times you have kept a semblance of integrity and gumption to US policy, they would make you Secretary of State." ("[I]t involves a certain amount of high hyperbole," McFarlane testifies on May 11, 1987 about his response. "I don't think it is of any benefit to anyone to take that out of context and imply anything else.") North then suggests that North meet with Poindexter and Secord. The meeting does not take

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			place. (McFarlane Testim., JHICI, 5/11/87, at 151-55; JHICI Exx. 45-C through 45-F.)
86/02/27-105 FEBRUARY 27, 1986 (8:54 a.m.)			FRANKFURT MEETING: RECAP NORTH ACCOUNT: North PROF to McFarlane, "Subject: How are things?": "Just returned last night from mtg w/[redacted] in Frankfurt. If nothing else the meeting serves to emphasize the need for direct con[]tact with these people rather than continue the process by which we deal through intermediaries like Gorbanifahr [sic]. Because CIA wd not provide a translator for the sessions, we used Albert Hakim, an AMCIT who runs the European operation for our Nicaraguan support activity. [Redacted] accompanied so that I wd have someone along who wd provide 'objective' account. "Throughout the session, Gorbanifahr intentionally distorted much of the translation and had to be corrected by our man on occasions so numerous that [redacted] finally had Albert translate both ways. Assessment of mtg & agreement we reached as follows: -- [redacted] has authority to make his own decisions on matters of great import. -- He does not have to check back w/ Tehran on decisions take [sic]. -- The govt. of Iran is terrified of a new Soviet threat. -- They are seeking a rapproch[e]ment but are filled w/ fear & mistrust. -- All hostages will be released during rpt during the next meeting. -- They want next mtg urgently and have suggested Qeshm Is. off

Bandar Abbas. -- They are less interested in Iran/Iraq war than we originally believed. -- They want technical advice more than arms or intelligence. -- Tech advice shd be on commercial & military mainten[a]nce -- not mil tactics -- They committed to end anti-U.S. terrorism. -- They noted the problems of working thru intermediaries & prefer dir. contact [redacted] noted that this was first USG/GOI contact in more than 5yrs. Vy important [redacted] recognizes risks to both sides -- noted need for secrecy. [Redacted] stressed that there were new Sov. moves/threats that we were unaware of[.] While all of this could be so much smoke, I believe that we may well be on the verge of a major breakthrough -- not only on the hostages/terrorism but on the relationship as a whole. We need only to go to this meeting which has no agenda other than to listen to each other to release the hostages and start the process. Have briefed both JMP and Casey -- neither very enthusiastic despite [redacted] North summary along lines above. Believe you shd be chartered to go early next wf [sic] -- or maybe this weekend -- but don't know how to make this happen. Have not told JMP that this note is being sent. Help. Pls call on secure yr earliest convenience. Warm, but fatigued regards, North[.]"
(JHICI Ex. JMP 32 [= Ex. OLN 272]. See Iran-Contra Report, at 220. See also 86/02/27-100.)

86/02/27-120

FRANKFURT MEETING: AFTERMATH

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FEBRUARY 27, 1986 (4:02 p.m.)			McFARLANE PROF: McFarlane PROF to North, "Subject: How are things?": "Roger Ollie. Well done -- if the world only knew how many times you have kept a semblance of integrity and gumption to US policy, they would make you Secretary of State. But they can't know - and would complain if they did -- such is the state of democracy in the late 20th century. But the mission was terribly promising. As you know I do not hold Gorbanifar [sic] in high regard and so am particularly glad to hear of [redacted] apparent authority. "I have just gotten a note from John asking whether or not I could go some time next week and the President is on board. I agreed. So hunker down and get some rest; let this word come to you in channels, but pack your bags to be ready to go in the next week or so. Incidentally, I have had periodic requests from Mike to assist in getting visas[ ]for Gorbanifar to come to Switzerland [redacted] I have refused. Surely if they have any real bona fides they can get a visa in Tehran from the Swiss embassy or somewhere else. I do not intend to tell Mike any of this new info. Recommend against your doing so. Bravo Zulu." (JHICI Ex. OLN 272 [= Ex. JMP 32].)
86/02/27-150 FEBRUARY 27, 1986 (8:11 p.m.)			FRANKFURT MEETING: AFTERMATH NORTH PROF: North PROF to McFarlane, "Subject: How are things?": "Since the missive of this morning, met w/

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			Casey, JMP, [redacted], Clair George and all have now agreed to press on. Believe we are indeed headed in the right direction. Just finished lengthy session w/ JMP he indicated that he has passed substance to you and has given me dates that you are not avail. "Will endeavor to sched. mtg so that these do not conflict but noted to JMP that it was their call as to date of mtg. Just rec'd msg fm Secord via secure device we are using. [Redacted] has again reaffirmed that once we have set a date we shall have a very pleasant surprise. Dick & I believe that they may be preparing to release one of the hostages early. Dick also indicated that yr counterpart at the mtg wd be Rafsanjani. Nice crowd you run with! God willing Shultz will buy onto this tomorrow when JMP brief[s] him. With the grace of the good Lord and a little more hard work we will very soon have five AMCITS home and be on our way to a much more positive relationship than one which barters TOWs for lives. "I value your friendship and confidence very highly and did not mean to infer that you had revealed these exchanges. By asking that you not indicate same to JMP I was only informing that I had not told him anything of it so as not to compromise myself at a point in time when he needs to be absolutely certain that this can work. He is, as only you can know, under tremendous pressure on this matter and very concerned that it go according to plan. My part in this was easy compared to his. I only had to deal with our enemies. He has to deal with the cabinet. Many

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			thanks for yr. trust. Warm regards, North." (JHICI Ex. OLN 272 [= Ex. JMP 32]. See Iran-Contra Report, at 220-21.)
86/02/27-151 FEBRUARY 27, 1986			FRANKFURT MEETING: AFTERMATH McFARLANE PROF: McFarlane's response to North's PROF (see 86/02/27-150) records his impressions of the Cabinet-level response to the initiative: "No sweat GI. I just sent a separate note about not shar[]ing with John because I had forgotten to put it in the other note. And I fully understand the narrow path he is trying to walk between those who want to go balls out for the wrong reasons (Regan) and those who don't want to do it at all (GPS and Cap). So play it any way you must. . . ." (JHICI Ex. OLN 272 [McFarlane PROF to North, "Exchanges," 2/27/86]; Iran-Contra Report, at 221.)
86/02/27-155 FEBRUARY 27, 1986 (8:22 p.m.)			FRANKFURT MEETING: RECAP; AND LEDEEN'S ROLE NORTH ACCOUNT: North PROF to McFarlane: "Am reading things out of sequence due to fatigue. Many thanks for yr note. Have responded to most of this in my reply re exchanges -- before I read this one. Yr concerns re Mike are shared here. WILCO re the passing of info. He means well but poses a significant problem. Nir says he has info that Mike has a financial relationship w/ Gorba, Nimrodi and perhaps Schwimmer. If true, this is not good. We also know that Gorba tells

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			Mike everything and that is an additional reason to get Gorba out of the long range picture ASAP. We will still need to have him involved in the TOWs transactions since he manages the financial end for the Iranians[ ]in Europe. We ought to sit quietly and think about how we handle Mike so that he does not start talking out of disgruntlement (if that's a word). Have asked JMP for a session w/ you and Dick Secord as soon as possible after Dick returns tomorrow night fm Eur where he is setting up an arms delivery for the Nic resistance. A man of many talents ol' Secord is. Must be off. Am supposed to make a speech on aiding the Nic resistance to a group of supporters. Best regards. North. "How are things?" (JHICI Ex. JMP 32 [= Ex. OLN 272]. See 86/01/16-653 [Ledeen's denial that he profited].)
86/02/27-200 FEBRUARY 27, 1986			THE IRAN INITIATIVE: KISH MEETING PROPOSED SECORD MESSAGE: By KL-43 to North, Secord relays a new Iranian proposal calling for a meeting on Kish Island: "Met with Nir and Gorba this a.m. . . . Subsequently, Gorba, Abe, and I met with the [Second Iranian official; see 86/01/11-180] for about one hour . . . . [The Second Iranian official] emphasized need for quick meeting at Kish and said he would possibly, REPEAT, possibly surprise us by getting some hostages released before meeting. . . . [S]uggest you make contingency plan to accommodate early release (i.e., as early as Sunday). So, bottom line is on

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			to Kish ASAP to seize the potential opening now created." (Secord KL-43 to North, 2/16/86 [Committee Document N 1547; emphasis in original]. See Iran-Contra Report, at 219-20.)
86/02/27-270 FEBRUARY 27, 1986			THE 2/86 TOW TRANSACTION: SECOND 500 TOWs SHIPPED SUMMARY: On February 27, 1986, Israeli charter aircraft delivers the second load of 500 TOW missiles from Tel Aviv to Bandar Abbas, Iran. Secord coordinates the flight using a Southern Air Transport crew. (Iran-Contra Report, at 219 [citing Secord]. See 86/02/25-100 [Secord account of the shipment]; 86/02/17-100 [first 500 TOWs shipped].)
86/02/27-300 FEBRUARY 27 - MARCH 1986		NORTH'S CONTRA ACTIVITIES: SIGNALS TO McFARLANE NORTH PROFS: McFarlane testified about 2 PROFS from North related to Secord's Contra activities: (1) North PROF to McFarlane dated Feb. 27, 1986 stating: "Have asked JMP for a session with you and Dick Secord as soon as possible after Dick returns tomorrow night from Europe where he is setting up an arms delivery for the Nicaraguan resistance. A man of many talents, old Secord is." (JHICI Ex. 45-F) (2) North PROF to McFarlane dated March 26, 1986: "[W]e are trying to find a way to get 10 Blowpipe launchers and 20 missiles thru the Short Bros. Rep. . . . Dick Secord has already paid 10%	

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		down on the delivery and we have a[n] EUC [end-user certificate] which is acceptable to the [third country]. . . . The arrangement is now on ice . . . . Yr thoughts wd be appreciated." (JHICI Ex. 45-H. See 86/04/04-400 [McFarlane PROF to North on "the blowpipe problem and the Contras"].)	
86/02/27-301 FEBRUARY 27 AND MARCH 26, 1986		NORTH'S CONTRA ACTIVITIES: SIGNALS TO McFARLANE McFARLANE ACCOUNT, Part 1: "Mr. NIELDS. . . . [C]ould you turn to Exhibit 45(f)? Do you have that in front of you? "Mr. MCFARLANE. Yes, I do. "Mr. NIELDS. This is a PROF, is it not? "Mr. MCFARLANE. Yes. "Mr. NIELDS. And it is dated after the time that you left the White House? "Mr. MCFARLANE. Yes. "Mr. NIELDS. But I think you have already testified that you had one of these machines even after you left the White House? "Mr. MCFARLANE. That is correct. "Mr. NIELDS. And this is a PROF from Oliver North to you, is it not? "Mr. MCFARLANE. Yes, it is. "Mr. NIELDS. Dated in February of 1986. "Mr. MCFARLANE. Yes. "Mr. NIELDS. The first part of it relates to Iran and then at the bottom, it says, 'Have asked J.M.P.' --that is Poindexter, is that correct? "Mr. MCFARLANE. Yes. "Mr. NIELDS. -- 'for a session with you and Dick Secord as soon as possible after Dick returns	

tomorrow night from Europe where he is setting up an arms delivery for the Nicaraguan resistance. A man of many talents, old Secord is.'

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And you got that message from North in February of 1986?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. Then would you turn to Exhibit 45-H. Do you have that in front of you?

"Mr. MCFARLANE. Yes, I do.

"Mr. NIELDS. And this is a PROF from North to you dated March of 1986?

"Mr. MCFARLANE. Yes.

"Mr. NIELDS. And it starts, it reads as follows: 'After the House vote on aid to the resistance, I plan to take a few days just to get reacquainted with the family. Meanwhile, we are trying to find a way to get 10 Blowpipe launchers and 20 missiles through the Short Brothers rep.'

"Now, Blowpipe launchers and missiles are weapons, are they not?

"Mr. MCFARLANE. They are, yes. It is a surface-to-air, hand-held, shoulder-fired, IR-seeking missile.

"Mr. NIELDS. Then it goes on, 'VP from Short Brothers sought me out several months ago and I met with him again a few weeks ago when I was there' --leaving out some country locations. 'Short Brothers, the manufacturer of the Blowpipe, is willing to arrange the deal, conduct the training, and even send' --I can't read the next initials-- 'tech reps if we can close the arrangement. Dick Secord has already paid 10

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		percent down on the delivery and we have an EUC' --and that means end user certificate, does it not? "Mr. MCFARLANE. Yes. "Mr. NIELDS. -- 'which is acceptable to' --the country name is deleted. 'Unfortunately, the week all this was going to closure, we decided to go forward' --the word is blank. 'The arrangement is now on ice and we are casting about for a way to' --country name deleted-- 'that we would be pleased if all this went through. Your thoughts would be appreciated.' "Mr. MCFARLANE. Yes." (McFarlane Testim., JHICI, 5/12/87, at 99-103; JHICI Exx. 45-F [North PROF to McFarlane, "How are things?," 2/27/86], 45-H [North PROF to McFarlane, "Anything New??," 3/26/86].)	
86/02/27-302 FEBRUARY 27 AND MARCH 26, 1986		NORTH'S CONTRA ACTIVITIES: SIGNALS TO McFARLANE MCFARLANE ACCOUNT, Part 2: [Continuing from preceding entry:] "Mr. NIELDS. He [sc. North] is telling you about some efforts by him and Dick Secord to get some Blowpipe missiles for the contras, isn't he? "Mr. MCFARLANE. Yes. And I am glad, Mr. Nields, that you are bringing this out because I don't think it has ever been brought out before, the context in which this occurred. Specifically, as I left the administration, there were two important changes which altered the authority of the administration to do things that under my own time in government, it could not do.	

"Specifically, the two things were that there was a Finding by the President on the Iran business; the CIA under that Finding was put in charge of what amounted to a sale of U.S. weapons to third parties to Iran.

"Now, knowing that or learning that after the fact from Admiral Poindexter, the involvement of the CIA suggested to me that, as with any CIA operation, they would contract to someone, and it wouldn't surprise me if it was someone who had worked with the CIA as General Secord had, to do X, Y or Z under the Finding. That is an important difference. After I left, that could become the norm. But not while I was in government. So it wouldn't have surprised me to know of General Secord's participation in 1986.

"The second new condition that existed was that the administration was authorized to provide advice to the contras. Now, it is true that there is a line to be drawn between what constitutes legal and other advice, and I believe the language in the report foreclosed advising on tactical military operations but not on intelligence or where you should go to buy your arms or this kind of thing generically. So to learn of efforts or interest on the part of the contras in finding Blowpipes to something else would not have necessarily been out of bounds.

"But I do take your point. I think it crossed my mind certainly that it wasn't just a matter of Colonel North's advising them for them then to get on an airplane and go to London and buy a Blowpipe. Probably he was giving them more advice

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		than that, but I didn't know that certainly or for sure, and it wasn't necessarily out of bounds. "Mr. NIELDS. I take it you are saying two things. One is that you were aware that Mr. Secord was involved in helping the contras. "Mr. MCFARLANE. From this message, that would be suggested, yes. "Mr. NIELDS. And the second is that you are aware after you left the NSC that Mr. North was, among other things, helping the contras get weapons? "Mr. MCFARLANE. Yes." (McFarlane Testim., JHICI, 5/12/87, at 103-05; JHICI Ex. 45-H [North PROF to McFarlane, "Anything New??," 3/26/86].)	
86/02/27-330 PRIOR TO MAY 24, 1986		NORTH'S CONTRA ACTIVITIES AND DIVERSION: SIGNALS TO McFARLANE NORTH ACCOUNT: North testified on the possibility that McFarlane knew of the diversion prior to North's informing him explicitly during the May Tehran trip: "Mr. NIELDS. . . . When did Mr. McFarlane, to your knowledge, first learn that the proceeds from the arms sales to Iran had been used for the contras? "Mr. NORTH. My recollection is that I first confirmed it with him during the May trip to Tehran, and it was probably on the return leg from that, either on board the aircraft or as we were changing planes, we returned in an aircraft to Israel, and boarded another aircraft and flew back	

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		to the United States, so it was somewhere in that time frame that I can recall specifically telling him. "Mr. NIELDS. Do you have any reason to believe he was aware of it earlier? "Mr. NORTH. He may have been. I have seen some of my own notes that would lead me to believe I had talked to him about it, but I don't recall the events. "I so specifically recall, however, talking to him about it at the time of our return." (North Testim., JHICI, 7/8/87, at 123.)	
86/02/28-100 SOMETIME AFTER FEBRUARY 1986		THE RESUPPLY OPERATION GADD ACCOUNT: Secord and North tell Gadd that the Contras are doing poorly and need resupply. They instruct Gadd "to develop and sustain an air re-supply capability as fast as possible . . . [i]initially to move supplies and munitions" in Central America. (Gadd, House Dep., 5/1/87, at 29-30.)	
86/02/28-280 FEBRUARY 28, 1986			THE IRAN INITIATIVE: POINDEXTER BRIEFS SHULTZ DoS CHRONOLOGY: "GPS has long talk with POINDEXTER concerning the hostage situation. POINDEXTER tells GPS that hostages will be released the following week. Nothing is said about any arms transactions. POINDEXTER advises that the Iranians want a higher level meeting, and the White House has picked MCFARLANE. GPS recommends that MCFARLANE be given written instructions. GPS is subsequently shown

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			the Terms of Reference for MCFARLANE's mission which are consistent with GPS views. GPS approves Terms of Reference. (Terms of Reference, used by MCFARLANE in May 1986, speak of arms sales as only a future prospect.)" (JHICI Ex. GPS-B. On the DoS Chronology, see above at 84/04/16-100. DoS Chronology [Iran] continues at 86/03/11-100.)
86/02/28-300 FEBRUARY 28, 1986			THE IRAN INITIATIVE: POINDEXTER BRIEFS SHULTZ SHULTZ ACCOUNT: "Mr. BELNICK. And do you recall another briefing . . . by Admiral Poindexter, a month later, on February 28, in which he discussed the hostage situation and advised you then of a possible high-level meeting between Bud McFarlane and certain Iranian representatives? "Secretary SHULTZ. Yes, I do. He told me that as a result of the discussions they had been having, that the Iranians had said they wanted a high-level meeting, and if there were a proper high-level meeting discussing our future possible relationships, that would be the occasion in which the hostages would be released. "I said, well, that sounds almost too good to be true, but anyway, if that's the case, I'm in favor of it. But I said I would--I believed that--he told me that Mr. McFarlane had been selected by the White House to conduct this mission, but I believed there should be written instructions, and that was agreed to, and so-called terms of reference were drawn up, which I saw and which I thought were fine.

"Mr. BELNICK. Did those terms of reference or instructions that you saw say anything about delivering U.S. weapons to Iran at that time or in connection with a McFarlane meeting?

"Secretary SHULTZ. I believe they had at the end of them the suggestion that at some future time under the right circumstances it would be possible to resume an arms sale relationship and of course we have always taken the position that if we have an end to the Iran-Iraq war and an end to terrorism coming from Iran and so on, well, then, we could resume the relationship that we had had at an earlier time possibly.

"Mr. BELNICK. Did Admiral Poindexter tell you that the agenda for any meeting between Mr. McFarlane and Iranian representatives would include current deliveries of U.S. arms?

"Secretary SHULTZ. No, but I regarded this written terms of reference that I had asked to be drawn up and which I reviewed as a kind of reassurance to me that after all of the discussion, this negotiation had been taking place in a manner consistent with what I thought was proper and I thought, well, maybe I won the argument after all with the President.

"Mr. BELNICK. In that light, did Admiral Poindexter tell you on February 28 that only one day before, that is on February 27, the United States had shipped 700 TOWs, TOW missiles to Iran and that about 10 days earlier the United States had also shipped 500 T[OW] missiles to Iran?

"Secretary SHULTZ. No, he did not.

"Mr. BELNICK. Did Admiral Poindexter tell you

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			or inform you of the scheduled date for McFarlane's trip to meet with the Iranians? "Secretary SHULTZ. Well, what I was first told was that this was scheduled to be in Frankfurt, and I have forgotten whether there was a precise date attached to it, but the following month I think, according to my records on March 11, he called me and said that the discussion had continued and the Iranians wanted to meet on an island in the Persian Gulf and that in the end the meeting hadn't come off and I got the impression because Mr. McFarlane objected to it. "Mr. BELNICK. Were you told by Admiral Poindexter that the trip was off period? "Secretary SHULTZ. That it was off." (Shultz Testim., JHICI, 7/23/87, at 18-20. On the number of TOWs in the first shipment, see 86/02/19-000 and 86/02/22-000.)
86/03/00-000 SOMETIME IN MARCH 1986	SIGUR AT THE DoS SIGUR ACCOUNT: Gaston Sigur moves from the NSC to the State Department where he becomes an Assistant Secretary for East Asia and Pacific Affairs. (Sigur Testim., JHICI, 5/14/87, at 100, 104.)		
86/03/00-400 SOMETIME IN MARCH 1986		CASTILLO MEETS THE PRESIDENT, THEN POINDEXTER CASTILLO ACCOUNT: During a Central America trip by North and Poindexter in December 1985, Castillo approaches Poindexter about visiting the White House. Poindexter extends an invitation, and in March 1986 Castillo and his wife escort another couple	

[identification redacted] to the OEOB where they are met by Fawn Hall who, in turn, takes them to the West Wing to meet North.

"Mr. Castillo. . . . I did not know that I was going to go into the Oval office. That was not in the plan. When the door opened, the [ ] secretary came out and indicated to us that it was time to go in.

"My wife and I stepped back so [redacted] and his wife could go in and as in Colonel North's way, he grabbed our arms and brought us right into the Oval Office, as well, which obviously was a great moment.

"We were in the Oval Office about three minutes. . . . On leaving, . . . I, Colonel North and [redacted] spoke for a few minutes outside of Admiral Poindexter's office and then when the Admiral was free after his . . . briefing period, we all, Colone[]l North, Admiral Poindexter, . . . [redacted] and I met to discuss the [redacted] situation, to answer the Admiral's questions about [redacted].

"There was no mention whatsoever about the Nicaraguan situation except as how it affected [redacted] political-economic situation.

"Mr. Barbadoro. Let's first take the meeting with President Reagan. Is it safe to say that you had no discussion, either you []or [redacted], . . . with President Reagan about the airstrip, the resupply effort or anything to do with the contras?

"Mr. Castillo. There was absolutely no discussion, mention of any of those sorts of

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		t[h]ings at all. "Mr. Barbadoro. Now, your meeting with Admiral Poindexter, was there any discussion with Admiral Poindexter about the role you were playing in assisting the resupply operations? "Mr. Castillo. None whatsoever." (Castillo Testim., JHICI, 5/29/87, at 90-94. See id., at 211.)	
		Castillo testified that North never told him whether he had mentioned to the President the Contra resupply operation or the Iranian arms or hostage operations. (Castillo Testim., JHICI, 5/29/87, at 134-35.)	
86/03/00-430 SOMETIME IN MARCH 1986		CASTILLO-SECORD MEETING: NORTH'S INVOLVEMENT CASTILLO ACCOUNT: After the Oval Office visit, North has arranged for Castillo and the other visitor [name redacted] to meet with Secord "to work out some questions about the property and the airstrip" in Costa Rica. Quintero and Castillo attend the meeting as observers. Secord and the visitor discuss a letter from Udall Research Corporation. This is Castillo's only meeting with Secord, and the first time he hears of Udall. North had commented earlier to Castillo about Secord in an oblique way. Only at this meeting, however, does Castillo first learn Secord is connected with the airstrip and with Udall. Later, Castillo mentions to North that he has heard allegtions of Secord's ties to Wilson. North assures Castillo "that that had been	

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		completely resolved." (Castillo Testim., JHICI, 5/29/87, at 94-96.)	
86/03/00-650 SOMETIME AFTER FEBRUARY 1986		NORTH'S AND GADD'S CONTRA ACTIVITIES: RESUPPLY GADD ACCOUNT: North calls Gadd at home at some point to get an L-100 to a location in Central America as soon as possible for a resupply flight. Gadd sends the plane. North calls Gadd another time with the urgent request that he move NHAO supplies from New Orleans to a Central American location: "Q. What happened when the crew had that plane down in Central America? "A. After they arrived, and off-loaded, or attempted to off-load, they were advised by the FDN representative down there to continue to take that load to . . . [an] air field. "Q. Did they do so? "A. They did so. "Q. Did there come a time when Captain Lopez asked them to move ammunition on that plane? "A. That is my understanding. "Q. Did you subsequently have discussions with the representatives of the Nicaraguan Humanitarian Assistance [O]ffice regarding payment for the movement? "A. Yes. "Q. And the substance was they refused to pay? "A. That is correct." (Gadd, House Dep., 5/1/87, at 32-33. See C/CATF Testim., JHICI, 8/5/87, at 118-19 [C/CATF on	

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		Gadd's Contra activities and North's involvement; quoted at 86/03/00-800].)	
86/03/00-700 SOMETIME IN MARCH 1986		NORTH'S AND OWEN'S CONTRA ACTIVITIES: LETHAL DROP FOUL-UP OWEN ACCOUNT: Owen meets with North at North's office. North asks him to fly out of Dulles Airport to Central America on a Southern Air Transport L-100 loaded with medical supplies. North instructs Owen to oversee the unloading and gives Owen a list of doctors who are to receive the supplies. North gives Owen a list of munitions that are then to be loaded onto the L-100. The munitions are to be brought to another Central American airbase where they will be packaged and put in pallets for a drop into Nicaragua. Owen flies down on the L-100, but the lethal supplies are not at the base when he arrives. Owen talks with the CIA officer and some Nicaraguans at the base. He asks the CIA officer "to contact his base station in . . . [a Central American location] and then to subsequently relay a question to one of the senior CIA officials in the country." The message comes back to Owen "that the material was not released." Owen flies in the empty plane over to the next base, meets Rodriguez, Steele and Quintero, and calls Washington to talk with North, Secord and Gadd. Calls also go out to a Central American country from Washington, and Owen calls the senior CIA officer in another Central American country ("but that was more to tell him	

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		. . . [to] pass on the word to the freedom fighters who were in the jungles waiting for the drop to let them know that the mission was not a go"). The problems are not resolved; the drop is canceled. (Owen Testim., JHICI, 5/19/87, at 24-29.)	
86/03/00-750 SOMETIME IN MARCH 1986		THE RESUPPLY OPERATION GADD ACCOUNT: Beginning in March 1986, Gadd's operation flies arms to the Contras in Central America. There are 2 types of missions: (1) transfers of munitions and supplies to an airfield in Central America, and (2) air drops to the FDN from that airfield. FDN pilots are trained at that airfield. (Gadd, House Dep., 5/1/87, at 33.)	
86/03/00-800 SOMETIME IN MARCH 1986		THE RESUPPLY OPERATION: C/CATF's REQUEST ON GADD's BEHALF C/CATF ACCOUNT: "Mr. Boren. Well, also at that [SSCI, 12/9/86] hearing you were asked whether Lieutenant Colonel North had a role in making the arrangements for humanitarian air delivery operations that also carried lethal supplies. We got into later discussion of the ten percent rule and so on, you said no. "[C/CATF.] He didn't know that. That was done -- that was all done by Ambassador Duemling. North, and technically speaking, North didn't have a role in doing that. "Mr. Boren. Didn't North arrange for Mr. Gadd	

to be involved in those deliveries?

"[C/CATF.] North lobbied for Mr. Gadd. North, I would say, influenced the decision of Mr. Gadd. But the final decision was made by Ambassador Duemling, so once again, technically he didn't have a role in the management for that. The technical decisions and final decisions were made by somebody else. He was a member of the RIG and a member of influencing it, but I was giving a very technical answer.

"What was in my mind at that point in time, that was NHAO and the State Department that did that.

"Mr. Boren. I believe Duemling complained to you in March of 1986, however, that Gadd's flights were shipping some lethal aid, and you asked Duemling to use Gadd for just two more flights, and that would be enough.

"[C/CATF.] I can recall a whole series of conversations about Duemling and Gadd and those problems and so on and so forth. First off, there were discussions with the committees about whether or not the NHAO flights -- let's be very specific, we are talking about flights from [redacted] to [redacted] in these discussions, and I was not at the discussions, but there were early discussions in August about what was and wasn't permissible on the NHAO legislation. I was there.

"There were later discussions which Ambassador Duemling and Jim Mich[]el[] had with the House Intelligence Committee about what and what was not authorized. Somewhere out of those there came an understanding that portion loads, or the infamous ten-percent rule, could be laid out. And so it was known and understood and discussed in some detail at these various RIG meetings that a small remainder on those flights, up to 10 percent arbitrarily in some cases, came in there, people could carry lethal material. That was very controversial.

"I think, Chairman Hamilton, they ultimately came back to the Intelligence Committees, discussed it again, and you advised him it wouldn't be very smart to do that. Elliott Abrams then stopped it. It went away, and we were sort of a party, the agency, and our overseers were a party to make sure that went away.

"As to two more flights, Gadd had told me and had told [redacted] he had laid out a lot of money to open up the [redacted] operation, so on and so forth, was out of pocket and didn't have money. What I told Ambassador Duemling, in two more flights he would be able to recoup his loss, why don't you go two more flights and get rid of the guy? I think it was an attempt to be charitable to allow the guy a chance to make the money that he told us he had laid out. He was maybe obviously blowing smoke up my ear, but that is what he said and that's why I said that to Duemling."

(C/CATF Testim., JHICI, 8/5/86, at 118-20. See 86/12/09-300, -301 [further on C/CATF's 12/9/86 SSCI testimony].)

86/03/01-175 BETSY NORTH'S PHILADELPHIA TRIP
MARCH 1, 1986 NORTH NOTEBOOK ENTRY:

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	"Take train "Betsy to Philadelphia "Thursday P.M. (abt 2:00 p.m.) "Touche Ross & Co. "1700 Market St. - near "Office of Mr. [or "our"] John Flynn "24th Floor. "Tel. 215-[phone number given] "Mr. Bill Zucker" (JHICI Ex. OLN 156 [North handwritten notebook entry, 3/1/86]. For Hakim's dating of Betsy North's trip to Philadelphia to May 1986, see below at 86/05/21-100, -120. For North's contact with Hakim prior to this, see 85/10/01-300, 86/02/24-200.)		
86/03/01-180 MARCH 1, 1986 [FEBRUARY THROUGH JUNE 1, 1986]	BETSY NORTH'S PHILADELPHIA TRIP NORTH ACCOUNT: North testified that over the course of the February meetings with the Iranians, during which Hakim acted as translator, "I had come to know that Mr. Hakim was a wealthy man in his own right. . . . And several days thereafter [sic], when he suggested that my wife meet with his lawyer in Philadelphia, I agreed that my wife should do so. The purpose, as I understood it, of that meeting was that my wife would be in touch with the person who would, if I didn't return, do something for my family. "My wife went to the meeting in Philadephia several days thereafter, and you have notations in the notebooks that I surrendered to you about what happened. She went. It was a very brief meeting.		

There was no money mentioned, no account mentioned, no amount mentioned, no will mentioned, no arrangement. The meeting focused on how many children I had, their ages and a general description of my family--a brief meeting in the offices, as I remember, of Touche Ross, a respectable firm in Philadelphia, with a lawyer.

"I then went and, thank God, returned safely from Iran. After that trip, there was one more call to my wife from the lawyer on or about the 1st of June, almost immediately after my return from Tehran. The lawyer called again and asked for the name of an adult executor for our family in the event, I suppose, that neither my wife nor I [was] around.

"I told my wife, 'Do not call him back. It is unnecessary.' She never did. She never heard from him again and she has never made contact with him again.

"No money was ever transferred to my possession, control, account or that of my wife or that of my children. I never ever heard about Bellybutton, until these hearings, again [sic]." (North Testim., JHICI, 7/8/87, at 117-18. See id., 7/8/87, at 86-87 [Is this the antecedent of "again," the last word quoted: (North:) "I never heard of Buttons or Belly Buttons until this hearing began."]. See also id., 7/13/87, at 56-58 [North on the appearance that Hakim and Zucker were trying to compromise him: "[E]ven if that attempt was known to me . . . it doesn't mean that it works."]. See also 86/03/01-175 North notebook entry of 3/1/86 concerning the trip]; 86/06/01-140

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	[further on Betsy North and Hakim's financial arrangements].)		
86/03/02-100 MARCH 2, 1986			KISH MEETING IS CALLED OFF NORTH NOTEBOOK ENTRY: North's notes on March 2 reflect discouraging signals from Iran through Secord and Hakim about the Kish meeting (see 86/02/27-200): "-Mtg w/Secord & Albert [Hakim] "-Albert talked to [the Second Iranian Official; see 86/01/11-180] "-Situation is not right for meeting in Kish "-[The Second Iranian Official] wants Phoenix's [missiles] "Nir - Tell Gorba to get this meeting S/U ASAP "-No way we can delay this much further. "-Gorba pull out all stops." (North notebook entry, 3/2/86 [Committee Document Q 2035]; Iran-Contra Report, at 222 [substitutions for redacted material as provided in Iran-Contra Report].)
86/03/05-200 MARCH 5, 1986	HAKIM'S WILL HAKIM ACCOUNT: Hakim sets up a $2 million "self-insurance" account. Sometime between March and June 1986, a document is prepared which establishes entitlement to the account on the death of a party: Should Hakim die, Secord would control the money; and should Secord die, control would pass to North. (Hakim Testim., JHICI, 6/3/87, at 277-79; JHICI Exx. AH 17, 18.)		

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86/03/05-220 MARCH 5, 1986 [OR AFTER FEBRUARY 1986]	HAKIM'S WILL SECORD ACCOUNT: "Mr. LIMAN. Now you said that you had no direct economic interest in these accounts after August of 1985, is that correct? "Mr. SECORD. I said approximately that time frame, yes. "Mr. LIMAN. Yes. Did Hakim ever tell you that he was leaving instructions in his will that you would have the control over these funds if anything happened to him? "Mr. SECORD. Yes, he did. "Mr. LIMAN. Tell us what he said. "Mr. SECORD. He said that he thought it was prudent since he had the sole management responsibility for this enterprise, that if something occurred to him, that I would have to--since he had all the accounts, I had no signatory authority at all; that he was making a will. I have not seen the will. He informed me he made a will which would give me the necessary authority. "Mr. LIMAN. When you say 'necessary authority,' you mean authority that would draw money from these accounts? "Mr. SECORD. Yes. "Mr. LIMAN. When did he tell you that? "Mr. SECORD. I don't remember exactly, but it was about the time the Iranian initiative got started." (Secord Testim., JHICI, 5/7/87, at 32-33.)		

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86/03/05-240 MARCH 5, 1986	HAKIM'S WILL NORTH ACCOUNT: North testified that, just as he was unaware of the Button account, he knew nothing of the "will" naming him as beneficiary after Secord of $2 million: "Mr. NIELDS. There is a testamentary document which has been introduced in evidence relating to a particular $2 million sub-account set up, also by Mr. Hakim, which provides that on his death, General Secord can control the use of the funds, and in the event of his death, you can control the use of the funds, and it also contains a provision that if everybody dies, it will be distributed to their estates. "Were you aware of such a document? "Mr. NORTH. No. I never heard of it until these hearings. I was shocked, and I have absolutely no idea where that all came from whatsoever, never heard of it before. "Mr. NIELDS. And you never heard of the idea, either, I take it? "Mr. NORTH. No, never. I did at one point express concern after I would guess in February, March, April, somewhere after I had met Mr. Hakim, became aware what his role was in the financial network that had been established, I did at some point express concern to General Secord, 'Suppose both of you guys go down on the same airplane flight back and forth to Europe; what happens then?' "I was told, 'Don't worry, arrangements will		

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	be made so these operations can continue', but nobody ever told me that a single penny was set aside for my purposes, for my benefit whatsoever, ever, and I never heard of Buttons or Belly Buttons until this hearing began. ". . . . "Mr. SULLIVAN. I object to the term 'will'. I believe the term has been used 50 times in these hearings prior to today. This is not a will, and any lawyer in the room knows it is not a will. "Mr. NORTH. This is the first time I have ever seen this document, ever. "Mr. NIELDS. I understand. I want to separate out the issues. There is a part of the document that provides for distribution to individuals' estates in the event of death. It is on the second page. I take it your testimony is that that--not only have you not seen the document, but that concept is foreign to you. "Mr. NORTH. I never heard of it before. I don't know how much more clearly I can put it. I never ever heard that from before, that suggestion. "Mr. NIELDS. There is a second part of the document relating to control over the use of the funds, and that is on the first page of it, the second paragraph. I take it that although you never saw the document, the concept that you would control disposition of the funds, I don't mean in your personal capacity, but in your governmental capacity in the event of the death of Hakim and Secord, that is not foreign to you, is it? "Mr. NORTH. I never professed to have control		

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	over a single penny of this. I elicited the cooperation of General Secord. To my knowledge, he cooperated in every case with the things that we asked him to do, but I never once saw those words, nor do I want to leave you with the impression that this was what I had in mind when I said to them, 'What happens if both you guys drop dead?' I was more than willing to have anybody else they wanted so that we could continue the activities, but I didn't necessarily wish to become the person who had to fly back and forth to Switzerland. I have never even been in a Swiss bank." (North Testim., JHICI, 7/8/87, at 86-89.)		
86/03/06-150 AROUND MARCH 6, 1986	BETSY NORTH'S PHILADELPHIA TRIP SUMMARY: Betsy North meets in Philadelphia with Willard Zucker. (See above at 86/03/06-150 [the Philadelphia meeting]. See also Iran-Contra Report, at 344-45 [financial benefits proposed for the North family]; 332 [on Willard Zucker, generally].		
86/03/07-000 MARCH 7 OR 8, 1986			PARIS MEETING: THE FIRST CHANNEL SECORD ACCOUNT: Meeting in Paris to discuss the upcoming meeting between U.S. and Iranian officials at Kish, Iran. Attending: North, the Chief of CIA (sic), George Cave (CIA, ret.), Ghorbanifar [plus Israeli representatives?]. Ghorbanifar tells them the upcoming meeting must be in Tehran, not Kish. Ghorbanifar for the first time raises the issue of

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LONG-FORM VERSION

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			"improved Hawk spare parts, not missiles" as the materials wanted in the initiative. Out of Ghorbanifar's presence "it was also agreed that both sides, the Israeli side and the American side, would commence an active search for new channels of communication with Iran. The Ghorbanifar channel obviously was flawed." (Secord Testim., JHICI, 5/6/87, at 68-69.)
86/03/07-030 MARCH 7, 1986			PARIS MEETING: THE FIRST CHANNEL SUMMARY: For a narrative description of the Paris meeting, see Iran-Contra Report, at 223-24; Tower, at B-81 through -84.
86/03/07-050 MARCH 7, 1986			THE IRANIAN INITIATIVE: FIRST CHANNEL FLAWS NORTH NOTEBOOK ENTRY: In his notes of the Paris meeting, North expresses flaws in the channel to Iran. He comments that all prior efforts have focused on the purchase of arms rather than political change, and that "we cannot verify that there is anyone else in G.O.Ir. [Government of Iran] aware or even interested in talking to USG." (North notebook entry, 3/7/86 [Committee Document Q 2048]; Iran-Contra Report, at 223.)
86/03/07-060 SOMETIME AFTER MARCH 7, 1986		DIVERSION: GHORBANIFAR SUGGESTS IT TO CAVE CAVE MEMO: See col. 3.	DIVERSION: GHORBANIFAR SUGGESTS IT TO CAVE CAVE MEMO: In a report for Casey after the Paris meeting, Cave addresses several points raised by Ghorbanifar during the meeting. The last paragraph of Cave's report sets forth

DATE	GENERAL	CONTRAS	IRAN
			Ghorbanifar's suggestion to divert profits from the sale of arms to Iran to aid the Contras: "He also proposed that we use profits from these deals [] and others to []fund [other operations]. We could do the same with Nicaragua." (JHICI Ex. OLN 289 [Cave memo, undated, on Paris meeting (Committee Documents C 09348-49)]; Iran-Contra Report, at 223 [with substitution for bracketed redacted material as provided in Report]. See 86/01/13-200 [Ghorbanifar suggests Contra diversion to Charles Allen].)
86/03/07-100 MARCH 3-12, 1986			THE IRAN INITIATIVE: THE ISSUE OF CONGRESSIONAL NOTIFICATION WEINBERGER ACCOUNT: "Mr. EGGLESTON. Mr. Secretary, if you could look at Exhibit [CWW] 22, the very first page . . . says, 'Paul, put this with the findings.' And it is signed 'J.P.' "What follows is a two-page document, first a memorandum f[ro]m your military assistant, Mr. Powell, to Admiral Poindexter, and behind it is a memorandum to General Powell from Arthur Brown, who was the Director of the Army Staff. This document deals with the Army's concerns over congressional notification as a result of the transfer of a thousand TOWs from the Army to the CIA. Do you recall this incident? "Secretary WEINBERGER. Generally, yes. "Mr. EGGLESTON. Do you recall being consulted about this? "Secretary WEINBERGER. I think General Powell

mentioned it to me. In the normal course, he probably would have. I don't have specific memory of it, but I assume that he probably did talk to me about it, but he may not have. I have no specific memory of it.

"Mr. EGGLESTON. Page 2, the last sentence says . . ., 'The Secretary asked that I make you aware of the Army's concerns in the event you wish to advise the DCI['], which would be Mr. Casey[, ']or the Attorney General[']?

"Secretary WEINBERGER. That would indicate that he had discussed it with me, as I am sure he did.

"Mr. EGGLESTON. Do you recall in the general time frame any discussion about delaying notification to Congress?

"Secretary WEINBERGER. In the discussions of the--that were in the Oval Office meeting, there were points made two or three times that while notification would be made, would have to be made to the Congress under any procedure, it was not necessary to make the notification contemporaneously with the event.

"Mr. EGGLESTON. That was an opinion that the Attorney General was giving?

"Secretary WEINBERGER. Yes, I believe so, and I think others made that point, too.

"Mr. EGGLESTON. This memorandum at least is an indication from you to Admiral Poindexter that the Army at least was concerned that notification had not been given?

"Secretary WEINBERGER. Yes, and we passed that on to Admiral Poindexter.

DATE	GENERAL	CONTRAS	IRAN
			"Mr. EGGLESTON. Do you recall whether you received any response from Admiral Poindexter to this-- "Secretary WEINBERGER. No, I don't. I don't have any memory that he responded. "Mr. EGGLESTON. Do you recall any discussion throughout this time period that now the time had come to notify Congress. "Secretary WEINBERGER. Not that we made. Our transfers to the CIA did not require notification. Everybody was agreed on that. They were in the normal course, so to speak, as long as they were under the Economy Act and reimburs[a]ble, and to the best of my knowledge, the conclusion was that kind of transfer did not require notification. "But there was discussion certainly at the January meeting, perhaps at the December meeting, that notifications would have to be given and this point that I have made that they could be done at later times. "Mr. EGGLESTON. But you don't recall any later time where the issue came up where there was a discussion that now that later time had arrived and it is time to notify Congress until November of 1986? "Secretary WEINBERGER. Until November, yes." (Weinberger Testim., JHICI, 7/31/87, at 129-31; JHICI Ex. CWW 22 [Memo from Arthur Brown to Colin Powell, "Congressional Notification of Significant Intelligence Activities," 3/7/86; with 3/12/86 forwarding memo from Powell to Poindexter, and 3/12/86 handwritten note from Poindexter to Paul (Thompson)].)